

Kiri Industries

13 August 2026

Operator: Ladies and gentlemen, good day and welcome to the Kiri Industries Ltd. Q1 FY27 earnings conference call hosted by Valorem Advisors. As a reminder, all participant lines will be in 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 the operator by pressing star followed by zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Surangi Jain from Valorem Advisors. Thank you, and over to you, ma'am.

Surangi Jain – Valorem Advisors: Thank you. Good morning, everyone, and a very warm welcome to you all. My name is Surangi Jain from Valorem Advisors. We represent Investor Relations for Kiri Industries Ltd. On behalf of the company, I would like to thank you all for participating in the company's earnings conference call for the first quarter of FY27.

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 beliefs, assumptions made by management, and information currently available to management. The audience is cautioned not to place any undue reliance on these forward-looking statements when making any investment decision.

The purpose of today's earnings conference call is purely to educate and create awareness about the company's fundamental business and financial performance for the quarter under review. I would now like to introduce the management participating in the conference call. We have with us Mr. Manish Kiri, Chairman and Managing Director; Mr. Jayesh Hirani, Vice President – Accounts and Finance; Mr. Suresh Gondalia, Company Secretary; and Mr. {? Ranju Incho ?}, CEO – Indo Asia Copper Limited. I would now request Mr. Manish Kiri to give his opening remarks. Thank you, and over to you, sir.

Manish Kiri – Chairman & MD: Good morning, everyone, and welcome to the earnings conference call for the first quarter of FY27. I hope you are all keeping safe and well.

Let me begin with an update on our integrated copper and fertilizer project, which continues to remain at the core of our long-term growth strategy. During the quarter, the project progressed from the design stage into a structured construction phase, supported by the timely deployment of capital from the group's strengthened financial position. Orders have been placed for several long-lead mechanical, electrical, and utility packages, while the finalization of the remaining major packages is at an advanced stage.

In parallel, the enabling infrastructure continues to advance, including the captive jetty, desalination facility, dedicated raw material conveying system, and the project's long-term power infrastructure. The downstream copper facilities are planned to be commissioned in phases, with copper tubes targeted for Q1 FY28, followed by copper rods in Q4 FY28 and the copper refinery in Q3 FY29.

We are also progressing with our engagement with international mining companies and global trading houses to establish long-term sourcing arrangements for copper concentrate and rock

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phosphate, the key raw materials for the project, while continuing to evaluate opportunities across our downstream value-added product portfolio.

Overall, the integrated complex remains aligned with our long-term strategic roadmap, and our focus remains on disciplined execution and the timely achievement of the next project milestones.

With that update on our new project platform, let me now turn to the performance of our existing dyes, dye intermediates, and basic chemicals business. Overall performance for the dyes, dye intermediates, and basic chemicals industry in Q1 FY27 continued to be influenced by global economic headwinds, and certain basic chemicals strengthened during the quarter, supported by tight global supply, higher freight rates, and the continuing impact of environmental compliance measures on manufacturing activities, especially in China.

Demand trends, however, remain mixed across product categories, while input cost pressures persisted. Our major raw materials include oil prices, which increased during the quarter, resulting in higher input and operating costs. However, improved average selling realizations across the product portfolio gathered {? which expanded ?} of higher material costs and helped sustain profitability.

We continue to see growing business in the dyes, dye intermediates, and basic chemicals segments. The improvement in realizations was a key driver of revenue in the quarter, while our diversified customer base continues to support the business. During the quarter, EBITDA margin was 21.9% compared to 23.5% in Q1 FY26. The net profit stands...

Manish Kiri – Chairman & MD: Yes, during the quarter, our EBITDA margin was 21.9% compared to 23.5% in Q1 FY26. The improvement was primarily driven by favorable pricing dynamics, with average selling prices rising faster than average raw material prices. We remain focused on maintaining pricing discipline and capacity whenever opportunities exist, while sustaining operational excellence. Business continued to improve during the quarter on a standalone basis.

Now, coming to the financial performance for the quarter, on a standalone basis, revenue from operations for Q1 FY27 stood at 295 crores, registering growth of 63% year-on-year. The growth was primarily realization-led, supported by improved average selling realizations across dyes, dye intermediates, and basic chemicals. Standalone EBITDA stood at 17 crores, with an EBITDA margin of 5.86%.

Further, other income earned during the quarter amounted to 284 crores, which mainly included earnings from treasury management. Hence, profit after tax stood at 270 crores.

On a consolidated basis, revenue from operations for Q1 FY27 stood at 312 crores, registering growth of 55% year-on-year. The growth was led principally by improved price realizations across the product portfolio rather than by volume. Consolidated EBITDA, including the share of profit of associates and the joint venture, stood at 37 crores, with an EBITDA margin of 7.84%, and profit after tax stood at 270 crores.

The significant increase in profit after tax during the quarter was primarily driven by a strong contribution from other income. Other income stood at 286 crores, primarily comprising interest

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income on inter-corporate loans and realized and unrealized gains on treasury transactions undertaken by the company. This was further supported by improvement in the underlying...

Manish: ...operating performance driven by better realizations and better margins. Finance costs reduced sharply following the repayment of borrowings at {? Claronex ?} Holdings Private Limited, leaving the group substantially free of external debt.

The share of profit from associates for Q1 FY27 stood at 21 crores, representing a 30% increase over the preceding quarter. The contribution was primarily from {? Longxin Kiri ?}, in which the company holds a 40% equity interest and management control.

Looking ahead, the medium- to long-term outlook for our dyes, dye intermediates, and basic chemicals business remains positive, supported by steady textile demand, tighter global availability, and sourcing trends favoring non-China supplies. As one of the largest global producers of H-acid, we believe our existing capacity provides headroom to participate in rising demand without significant additional capex expenditure. Sustaining margins, however, will remain dependent on our ability to pass through movements in input costs.

The fertilizer opportunity is also supported by India's continued dependence on imports, particularly DAP and key intermediates such as phosphoric acid and ammonia. Against this backdrop, the phased commissioning of our integrated complex is aligned with the widening supply gap for both refined copper and phosphate fertilizer.

Our focus remains on sustaining the improvement in our existing chemical business, maintaining a prudent capital structure, and executing the copper and fertilizer projects in a disciplined and timely manner as we build the next phase of growth for Kiri Industries Ltd. With that, we can now begin the question-and-answer session. Thank you.

Operator: Thank you, sir. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking their questions. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

Our first question comes from the line of Suresh with Batlivala & Karani Financials. Please go ahead.

Suresh – Batlivala & Karani Financials: Good morning, sir. Good morning, sir. I am Suresh from... You remember me, sir? I am happy to join again.

Manish: Yes, welcome.

Suresh – Batlivala & Karani Financials: Good morning, everyone. Imagine that you are also a partner or shareholder in a firm and you did not receive any capital returns or dividend returns even after a 10-year investment. As a fellow partner and shareholder, please think about this scenario and make a decision. Please do not take this the wrong way. Ultimately, what a shareholder truly wants and deserves is a return on investment. Please try to give me dividends, sir. Please take my suggestion and request. Do not take it the wrong way. Please try to understand.

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Manish: Yes. You have put forward a few points very well in your question. Number one, as you have seen, we have reported one of the strongest quarters in the history of the company in terms of performance. The performance reflects what the company is, and we promise this to you. The performance has, I think, matched the expectations in terms of our growing requirements for capital.

Number two, as you have already seen, the company has embarked on executing one of the largest greenfield projects in the history of the company. Looking at the capital requirements going forward and the new growth trajectory that we have already highlighted and are currently executing, the board of the company and all of us decided to retain the capital to fuel this growth.

Whatever performance the company had been waiting to achieve, due to the legal and litigation problems that we faced for a period of 11 years, is now behind us. The growth path has started, and the first quarter has demonstrated that growth. We will continue to improve the performance of the company.

My humble request to you is to look at how the performance is changing, how we are building new businesses, and how the capital is being prudently deployed toward the growth of the company. That is what we would like to focus on.

Suresh – Batlivala & Karani Financials: Actually, I am asking...

Manish: Just to answer your question, the dividend has not been declared, and there has been no decision by the board to declare any dividend yet. If that changes in the coming quarters, we will be very pleased to inform the shareholders and you.

Suresh – Batlivala & Karani Financials: Actually, okay, sir. You are investing in growth and new projects. However, investors have also waited through a long battle in this case. You won that case, and at least you could invest a major amount in expansion while giving a small amount as a dividend. Shareholders and investors would also be happy, and the stock price would benefit from the dividend. Many investors on Moneycontrol are discussing rumors. Please do not take this the wrong way. There are rumors that the management is not conservative, which is simply wrong. If you give a small dividend, almost all investors will be happy. Please think about this and take the feedback to the board of directors.

Manish: Yes, we have taken your individual point positively. The company does not make its decisions based on rumors and cannot make decisions based on rumors. There are an equal number of shareholders who have also contacted the company and informed us that they are aligned with the company's decision to grow the capital, increase returns, and grow equity returns for shareholders in the coming years by utilizing the funds prudently and properly.

There are an equal number of shareholders who differ from the view presented by you individually. However, we take your inputs positively, and we will see how we are able to decide in the best interests of the company and its shareholders, including the larger pool of shareholders.

Suresh – Batlivala & Karani Financials: Please take a good decision, sir. Please take the feedback and submit it at the board of directors' meeting. We have taken...

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Manish: Yes, certainly. We will do that.

Suresh – Batlivala & Karani Financials: Yes, sir. Thank you. Good day.

Operator: Mr. Suresh, I would request you to please come back into the queue for further questions. Thank you. Ladies and gentlemen, you are requested to limit your questions to two per participant.

The next question comes from the line of V. Jain with Mahavir Fabrics. Please go ahead.

V. Jain – Mahavir Fabrics: Good morning, Mr. Manish. I would like to know whether there is any update regarding the financial closure. Secondly, I also want to know the exact scope of Tata Consulting Engineers in the project because when I was browsing their website, I could not find our project listed among their projects. I want to know exactly what they are doing as the project managers for our project. Thank you.

Manish: I will take your second question first. TCE has been deployed as the owner's engineer for the company since the end of last year. They are involved in project management and control. They are overseeing all the technology transfer, including checking and approving the drawings and designs, and they are also deeply involved in the detailed engineering. Therefore, TCE has a larger scope, and TCE has been on board since November 2025.

That is number one. Number two, complete financial closure has not yet been achieved. We are progressing with debt raising. More than 50% of the commitments have been received, and the rest are in process. We hope that in the next few months we should be able to reach complete financial closure. Thank you.

V. Jain – Mahavir Fabrics: Understood. Thank you.

Operator: The next question comes from the line of Ashish Kothari, an individual investor. Please go ahead.

Ashish Kothari: Thank you, sir. Thank you, Manish.

Manish: Thank you, Ashish. Please go ahead.

Ashish Kothari: I would like to wish you a happy Independence Day in advance. I would also like to understand how our copper project is progressing, what our capital requirement will be, and by what time we will become cash-surplus from the project.

Manish: Happy Independence Day to you as well. Capital is continuously being deployed in the project, and the total capital requirement, as per the current estimate, would be close to 12,000 crores for the project itself. Additional requirements would relate to the infrastructure and supporting infrastructure that we have been building.

That is the outflow in Phase 1. This outflow will continue over the next 3 years; it is not immediate. On a monthly and quarterly basis, as we have disclosed, the capex has been increasing, and funds are being deployed in capex.

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That is one area. In 2027, part of the facilities will be operational, mainly the downstream products of copper, including consumer products of copper. Then, in 2028 and the beginning of 2029, the full facilities will become operational.

Management {? Rajesh Singh ?}: I am {? Rajesh Singh ?}, {? CEO ?} of copper and fertilizer together. At present, we are focusing on the downstream products so that the capital deployed from our own funds starts generating returns.

In that regard, a 35 KT alloy plant will be operational by June 2027. In August–September 2027, a 2–2.25 lakh-tonne CCR continuous-cast rod plant for 8 mm rods will be operational. These plants will operate using imported cathodes, primarily from Japan, because the cathodes from Japan do not carry a premium and are pure LME-grade cathodes in terms of cost.

If you look at the startup of any plant of this kind, it does take some time to stabilize. By January 2028, these 2 plants will be fully operational, stable, and running properly.

By that time, we will make our partial refining facility operational. This facility will refine anodes into LME-grade cathodes, with a capacity of 1.75 lakh tonnes. To complement that, we will use scrap from various sources, including in-house scrap and blister, in our melting and scrap-melting furnace, which will also be commissioned by December–January 2026–27.

By January 2028, we will have started operating the scrap plant, which will produce anodes, and those anodes will be converted into LME-grade cathodes through refining. This portion of the downstream business will therefore be fully operational. Any shortfall in the cathode requirement will, in any case, be procured from the market.

At the same time, we envisage starting other value-added products during the same period, such as busbars. The quantity will be small, but it will add value to our product portfolio. We will also produce phosphor-copper balls. These 2 products will be operational during the same period.

Then the next phase of the journey will begin. In between, we will be in a position to start the copper foil business with approximately 5,000 KT as the first round of trial production. This is a highly value-added product. Today, if you look...

Manish: ...at India, copper foil is imported at the LME-grade copper price plus an additional premium of 5,000 USD. Of course, there will be OPEX as well, but irrespective of that OPEX, this is a very valuable product.

We will start with trial production for 5,000 KT, whereas the complete system will be built for 10 KT, which we call Phase 1. Our aim is to take this through Phases 1, 2, and 3 and ultimately make it 40 KT, for which we have already approached the central government to be part of the {? PCMS ?} scheme.

This will also be operational in 18–20 months from now, which would take us to March 2028. This is a value-added product. The balance of the plant, which primarily includes the smelter, the sulfuric acid plant, and fertilizers, will be operational in Q1 FY29.

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These are the typical timelines that we have currently set for ourselves. We have set these targets based on these timelines, which, in any such context, are at least 6 months faster. People take a minimum of 36–40 months. Whichever way we calculate it, we will be approximately 5–6 months earlier.

Operator: Thank you. The next question comes from the line of Mehul Panjwani with {? 4D Cents ?}. Please go ahead.

Mehul Panjwani – {? 4D Cents ?}: Sir, have we tied up our raw material requirements for the next couple of years? Is it through a long-term contract or at a fixed price?

Manish: Normally, what happens in the copper concentrate business is that long-term contracts are typically made for an average period of 2–3 years.

Last year, there were 2 major copper conferences held across the world. One was the London LME conference, which typically takes place in October, and the other was Cescio in Chile. We participated in both of them, and we have been discussing and conducting several rounds of discussions with miners, traders, and other stakeholders.

As we speak today, we have a firm window of approximately 1 million tonnes of copper concentrate. It is only a window at this stage. We obtain an MOU, and these MOUs become firm 3–4 months before our requirement. In our case, we will firm up the contract costing and bonded contracts in October 2028. That is when, in that LME year, these contracts are converted into contracts and the MOUs are converted into contracts.

As we speak today, we have MOUs for 1 million tonnes of copper concentrate. If we operate at 100% production, we will require approximately 1.5 million tonnes, or 15 lakh tonnes.

This is a journey of only 1 year. We went last year, and when we go again in October this year, I think visibility will increase from 1 million tonnes today to 1.2–1.4 million tonnes. We are quite confident because last year we did not have much to showcase.

This year, at the site, approximately 1,000 people are working in civil and mechanical activities, and the construction of the tube and rod plant has come above ground. As the physical progress at the site has changed, the thinking of suppliers about supplying copper concentrate or raw materials to us will also change. This is the basic answer. Thank you.

Mehul Panjwani – {? 4D Cents ?}: Thank you. Thank you.

Operator: Thank you. The next question comes from the line of Mehul Panjwani with {? 4D Cents ?}. Please go ahead.

Mehul Panjwani – {? 4D Cents ?}: Hello? Sir, thank you for the opportunity. Am I audible?

Manish: Yes, please go ahead.

Mehul Panjwani – {? 4D Cents ?}: When will we record the first revenue from the copper business, and in which quarter of FY27?

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Manish: I think, as just mentioned, it would be somewhere around the end of the first quarter, in May or June 2027. That would be the first quarter of the 2027–28 financial year. You will get commercial production in Q2. So, in Q1 or Q2, you are looking at the next financial year.

Mehul Panjwani – {? 4D Cents ?}: Understood. When will the complete overall topline from the copper business be achieved, and by what timeline are we expecting to achieve it?

Manish: Financial year 2029–30.

Mehul Panjwani – {? 4D Cents ?}: 2029–30. Would that be Q4?

Manish: Yes, that financial year is the one that will capture the majority of the operational revenues.

Mehul Panjwani – {? 4D Cents ?}: Understood. How are we placed to service the debt that we have taken for this project?

Manish: As addressed earlier by {? Choksi sir ?}, FY28 is the financial year when cash flow will start coming in and building. From FY28 through FY29 and FY30, over all 3 years, the company will start moderately ramping up cash flow from the stepwise operations that we will commence. Therefore, parallel cash flow will also come in.

Mehul Panjwani – {? 4D Cents ?}: Understood. Where is the site for the copper project? Are we using multiple locations, or is it a single site?

Manish: It is a single location near Pipavav.

Mehul Panjwani – {? 4D Cents ?}: Gujarat. Thank you very much, sir, and I wish you the very best.

Manish: Certainly.

Operator: Thank you. The next question comes from the line of Manoj Kumar with Adinath Financial Services. Please go ahead.

Manoj Kumar – Adinath Financial Services: Good morning, Manish.

Manish: Manoj, you are always welcome. Good morning to you.

Manoj Kumar – Adinath Financial Services: My question is regarding our current dyes and chemicals business. We have almost 13–14 major products in our product line and substantial capacity. Most of the capacity remains unutilized, I think. We are using approximately 40%, and 60% is still unutilized. Am I right, sir?

Manish: Manoj, last quarter we utilized an average capacity of approximately 60%, and we still have 40% unutilized capacity across the various plants combined.

Manoj Kumar – Adinath Financial Services: What would be our ideal situation at 100% capacity utilization? What could be the turnover, and how much profit could we generate, considering that there is a material margin of approximately 31%?

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Manish: The market has improved, and we have seen that prices have also increased. We have started slowly ramping up our capacities, provided there is demand support. We do not want to compromise margins simply by building volume. Therefore, we are taking a cautious approach, ramping up while doing so profitably.

If you look at the consolidated EBITDA for the quarter, with legal costs behind us as well as the improvement in the industry situation, we achieved 37 crores, including the joint venture's operations. That is a good number, if you ask me, and that is what we will continue to build upon.

If the market supports us, we want to achieve at least 70–75% average capacity utilization during this year, compared to 60% currently.

Manoj Kumar – Adinath Financial Services: Regarding the 2 products you referred to, H-Acid and Vinyl Sulphone, we have good capacity—approximately 7,200 metric tonnes for H-Acid and approximately 12,000–15,000 metric tonnes, I think, for Vinyl Sulphone. Since prices are high, I was calculating that the annual turnover from these 2 products alone would be approximately 800–1,000 crores.

Manish: Yes, that is correct.

Manoj Kumar – Adinath Financial Services: From all the other products, can we achieve a turnover of approximately 2,000 crores from our dyes business?

Manish: If we are able to achieve close to 75–80% capacity utilization and sustain the prices that currently prevail, then it is possible. Today, H-Acid prices are in the range of 800–900 rupees, whereas they used to be 350–400 rupees earlier. Therefore, prices are approximately double the earlier average pricing.

The situation is similar with Vinyl Sulphone, where prices are almost 70–80% higher. There is no doubt that raw material prices have also increased substantially. However, if these prices continue for the next 1 year, then we can have much higher revenue, and the numbers could even be double the average.

That means if you are looking at revenue of 1,000–1,200 crores, then, purely because of the price increase and improvement in capacity utilization, it could reach close to 2,000 crores.

Manoj Kumar – Adinath Financial Services: Why is our profitability so low? Our subsidiary, Lonsen Kiri, is reporting fantastic results, with a fantastic EBITDA margin and a fantastic PAT margin as well. On a turnover of approximately 368 crores, it has earned approximately 71 crores of EBITDA and 51 crores of PAT. Why is Kiri not repeating those figures?

Manish: There are different products in the joint venture and different products at Kiri. Kiri sells raw materials to the joint venture, and the joint venture captures the margin on the finished products.

When you look at and compare the supply of raw materials from Kiri to the joint venture, the markup and the value-added profit and margins are captured at the joint-venture level on the finished products. When you look at the totality of the picture, you capture the entire value-chain margin.

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Therefore, to see the entire value-chain margin, you have to look at the combined operations of Kiri and the joint venture. That is number one.

Number two, certain chemistries and product ranges that are prevalent and set up in the joint venture are not present at Kiri. Even though dyes are produced at both ends, the products are different as well. More than 50% of the products are different.

For example, the joint venture produces Indigo, whereas Kiri does not. Similarly, the joint venture has certain advanced chemistries that standalone Kiri does not produce. Therefore, there are different products, and the value addition is on the finished products. These are the 2 differentiating factors. When you look at the total picture, it gives you the correct picture.

Manoj Kumar – Adinath Financial Services: We have a 40% stake in Lonsen Kiri, whereas in Kiri we have all the money with us. Can't we replicate those activities in Kiri and add those products to Kiri? Is there any exclusivity clause?

Manish: Based on the existing agreements between Kiri and Lonsen Kiri, even though Lonsen Kiri continues to have joint-venture operations, it is operated, run, and managed by Kiri even today.

There is no point in creating inter-company competition by replicating what the joint venture does at Kiri and destroying margins in the market. Strategically, even though Kiri may consolidate 40% of Lonsen Kiri, the more we strengthen Lonsen Kiri, the greater the benefit to Kiri.

Also, 60–70% of the joint venture's raw materials are supplied by Kiri. Therefore, there are very close linkages between the 2 companies in terms of high-volume raw material supplies and value addition. This 40% structure has existed since the beginning, and there is no disturbance in that arrangement.

If you look at the overall global supply chain, the joint venture continues to be the largest single supplier to Dystar, even after its exit from Dystar. From an operational point of view and a strategic supply-chain point of view, I think the arrangement is well established, and we do not see any reason to deviate from what is working.

Manoj Kumar – Adinath Financial Services: Understood, sir. Thank you, sir.

Operator: Thank you very much, Manish. Thank you. The next question comes from the line of Anurag Nayar, an individual investor. Please go ahead.

Anurag Nayar – Individual Investor: Good morning, Mr. Manish. Congratulations on the results.

Manish: Good morning.

Anurag Nayar – Individual Investor: I had a set of questions. This may be a repeat, or I may have missed it in the earlier commentary. Given that the Dahej and rod plants are being commissioned a quarter apart, does the previously guided 20,000–25,000 crore FY28 revenue still hold? The second part of that question is, what is the basis for making this projection? Do we already have an established sales channel, a customer base, and so on?

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Manish: Number one, that figure is dynamic. Therefore, the 20,000–25,000 crores of revenue in FY28 does not hold. Let me clarify that first.

A lot of the installation and delivery of the machinery depends on the vendors' timelines, and those timelines also keep moving. That is precisely why we provide an update on the progress every quarter. We will also keep informing you as and when the revenue projections become clearer.

On the other side, regarding the clientele base you referred to, as a country we are currently highly import-dependent. Therefore, whatever we sell would be import replacement. If we look at the market survey and the prevailing numbers for annual copper consumption in India, it is 1.8 million tonnes, and almost two-thirds of that requirement is met through imports.

When we are talking about selling the entire output of the facility only to substitute imports, sales are not a challenge. Of course, we need to have the quality approved and go through the customer approval process, but selling is not a challenge.

Selling is essentially a matter of filling the established existing channels with domestic production that replaces the imports currently taking place. Therefore, sales are not a challenge as long as we are able to produce and secure the raw materials. We do not see sales as a constraint to generating revenue.

Anurag Nayar – Individual Investor: Understood, sir. Thank you very much. I have one follow-up question. I want to understand the role of the marine jetty. If I am not mistaken, our plant is slightly inland, although it is still close to the coast. I want to understand the role of the marine jetty.

Manish: A separate, dedicated jetty near the port is very important because of our bulk imports and continuous imports of products such as copper concentrate, phosphate, and ammonia.

Bulk handling at the port is currently a challenge because it is mainly a containerized port, and containerized cargo is being handled there. We are located near the port, not too far away, but a separate jetty provides operational cost optimization and dedicated unloading of the bulk vessels that we will receive.

From a logistics point of view, an operational point of view, and a long-term operational cost point of view, this infrastructure was necessary to support the project.

Anurag Nayar – Individual Investor: Understood, sir. That provides a lot of clarity. Thank you very much. Those are my questions.

Operator: Thank you. The next question comes from the line of Kaushal Keira with Wolsford Investment. Please go ahead.

Kaushal Keira – Wolsford Investment: Thank you for taking my question. I wanted to know the update on the MCB copper-gold project. Where do we stand with acquiring the mine?

Manish: We are already a part of the MCB copper-gold project. The development of that mine has not started yet. The design has already been completed.

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Currently, if you look at the various announcements in the public domain, there has been a shareholder disagreement on certain areas, which are currently being addressed. The positive aspect is that the project has received many financing offers. We have also received regular updates from the project indicating that the development of the project and participation in its development by financing the project are quite positive.

We hope that before the end of the year, we will receive good news that the project has completed its financial closure and started development. The situation is quite positive, and they are working on it. We are not actively involved in the management or operations there. We are more of a passive player in terms of providing our inputs, but we continue to monitor and observe the development.

Kaushal Keira – Wolsford Investment: At present, what should we assume? Will we get access to the offtake from there? Is there a high chance?

Manish: We have already structured 70% of the offtake to come to us. That was the key point.

Kaushal Keira – Wolsford Investment: But is there any chance of the offtake not coming to us? I believe Celsius is still involved in litigation.

Manish: There are shareholder disputes and ongoing litigation at present. Celsius is objecting to this offtake. However, based on the overall assessment of the situation and Celsius's continuous attacks on the other shareholders there, it appears that the matter has now been placed before the court, and we should have some clarity on that as well.

As far as the majority shareholders and our earlier discussions are concerned, those discussions still hold. We are hopeful that Celsius, which is trying to derail the development of the project, will not create barriers to stop the development. Let us hope for the best.

Kaushal Keira – Wolsford Investment: Is the matter still in process? Do we not have access to that 40% or 60%? What is the worst-case scenario? This is very important because if this does not happen, we will not have access to copper concentrate, which everyone is seeking. What is the contingency, if you are comfortable answering that at this stage?

Manish: As you know, the matter is sub judice. Since the matter is sub judice and Celsius is in court, we would not comment on something that the court is considering because that would be speculation from our side.

Once the court decides on the matters involved, we will have more clarity. I would not speculate before the judiciary makes a decision on the shareholder situation. Let that be sorted out first.

Kiri continues to remain a lender. Kiri's position is still that of a lender today, and we will continue to remain a lender until matters are resolved. If our money needs to be returned because the benefit is not secured, it should be returned. That is how we are looking at it.

We are confident that if the development of the project proceeds, we will continue to provide our commitment and support to the project. We will continue to ensure that whatever needs to be done on the ground to support the project and develop the mine is fully supported by us, while Celsius

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has not been providing the support that it should provide as a shareholder.

We are fulfilling the mine's commitments, and we hope that this is viewed positively by the stakeholders as well as by the court.

Kaushal Keira – Wolsford Investment: Fair enough. Thank you very much, sir.

Operator: Thank you. The next question comes from the line of Vivek Joshi, an individual investor. Please go ahead.

Vivek Joshi – Individual Investor: Congratulations on a good set of numbers.

Manish: Thank you.

Vivek Joshi – Individual Investor: I want to get some more information on the copper project. We had requested earlier that an update on the capital employed and other details on the copper side would be very useful. Can you provide an update on how much capital has been deployed, and how much is equity and how much is debt on the current balance sheet?

Manish: Do you mean the total project or the current position? Currently, it is all equity infusion.

Vivek Joshi – Individual Investor: How much of the capital from the balance sheet has been allocated to the copper project?

Manish: From the total amount? Today, the total capital deployed in the project is {? 1,400 crores ?}.

Vivek Joshi – Individual Investor: Is all of that equity? Is it half equity and half debt?

Manish: No, it is all equity at present.

Vivek Joshi – Individual Investor: On the balance sheet, we still have some loans. To whom are we lending money now?

Manish: Do you mean the borrowings?

Vivek Joshi – Individual Investor: No. We have given loans to other parties.

Manish: These are all part of the treasury activities that we undertake. Some of the loans are also into something known.

Vivek Joshi – Individual Investor: Thank you, sir.

Operator: Thank you. The next question comes from the line of Swarup Bibi, an individual investor. Please go ahead.

Swarup Bibi – Individual Investor: I have a follow-up question regarding the earlier discussion. You are saying that all the margins have been passed on to Lonsen Kiri. Have you considered the tax impact? If Lonsen Kiri earns 100 rupees and pays 25% as tax, then later on 75—yes, Lonsen Kiri pays tax. No, again, its turnover would be 100 rupees, and EBITDA would be 100 rupees. Later on, it pays

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some tax, and the net profit of Lonsen Kiri would be 75.

Then Lonsen Kiri declares a dividend, and we receive that 75. After that, Kiri again pays 25 rupees, or 25% tax, on this other income. Do you not think there would effectively be 40% tax on whatever net profit we receive?

Manish: The transactions between the companies are all conducted on an arm's-length basis. Number one, we have to conduct arm's-length transactions in compliance with the law.

Whatever raw materials are supplied from Kiri to the joint venture are also supplied through arm's-length transactions. Whatever earnings are generated at the joint venture are generated at the joint-venture level.

If you look at the numbers for the quarter, 16 crores was the EBITDA generated by Kiri, and 21 crores was 40% of the EBITDA generated by Kiri at the joint venture. Whatever the profits are, they remain at the level where those profits are generated.

If profits are generated at the joint-venture level, they remain at the joint-venture level. If they are generated at the Kiri level, they remain at the Kiri level. Whatever tax is applicable at each level is paid at that level. That is how we should operate.

Swarup Bibi – Individual Investor: Is there any update on the stake sale regarding the 41% stake? There were discussions earlier.

Manish: There are currently no discussions or such talks.

Swarup Bibi – Individual Investor: Understood. My second question is regarding the earlier guidance of 1,000–1,200 crores of EBITDA for FY28. On what basis was this assumption made?

For example, in FY28, if we process 1 lakh tonnes of rods and tubes, with an EBITDA margin of only 15,000–20,000 rupees per tonne, even if we process 1 lakh tonnes, our EBITDA would be only 200–250 crores. However, you are projecting approximately 1,000–1,200 crores. What is the basis for this projection and such a large gap?

Manish: It is a simple calculation, and it all depends on when the facilities become operational. There is no fixed position here. As I mentioned earlier, the projections are changing and will continue to change based on the timelines for...

Management: ...the operation of the existing facilities. As I referred to earlier, these numbers will change, and they are not numbers based on established commercial operations. We are projecting a situation in which the start and establishment of commercial operations remain a moving target. You need to take that variation into consideration. That is number one.

Number two, even if you produce 1 lakh tonnes at today's prices, that comes to 15,000 crores of revenue from 1 lakh tonnes alone. If you earn 6% on that, it becomes...

Swarup Bibi – Individual Investor: How much would 6% be, sir? When you are purchasing cathodes from outside, how can 6% be captured on standalone rods and tubes?

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Management: I think you should study the price structures for products such as copper tubes, rods, and wires. You should examine how these price ranges exist in the market and what LME markup prevails for each of the downstream products.

When you look at the consolidated effect of the prices prevailing on LME plus the operations in the downstream products, you will see these kinds of numbers.

Swarup Bibi – Individual Investor: Thank you, sir. Thanks a lot. My last question is regarding MNCIL. Would we still be interested in being a PDP partner, or would we acquire a stake in the {? MNCIL ?} mines?

Management: We would definitely be interested—100% interested. It depends on how the overall situation is resolved from the litigation perspective.

Swarup Bibi – Individual Investor: Understood, sir. Thank you. Thanks a lot, sir.

Operator: Thank you. The next question comes from the line of Arjit Malakar with Ashika Stock Services. Please go ahead.

Arjit Malakar – Ashika Stock Services: Thank you for the opportunity. I have 2 questions. My first question is regarding your copper business. With which mining companies have you tied up for long-term sourcing?

Management: They are leading global miners and traders. We will not mention everyone's name here because the agreements contain confidentiality provisions, but they are leading providers of copper sources with whom we have entered into arrangements.

Arjit Malakar – Ashika Stock Services: Understood. My second question is that you mentioned that maximum revenue from the copper business will be achieved only by FY30. When will the debt repayment process start?

Management: The company has not made any drawdown on the debt today. Considering the moratorium that has been allowed, debt repayment will start somewhere in 2029 and not before that.

Arjit Malakar – Ashika Stock Services: Understood, sir. Thank you. That is all from my end.

Operator: Thank you. The next question comes from the line of Manoj Kumar from Adinath Financial Services. Please go ahead.

Manoj Kumar – Adinath Financial Services: Manish, once again.

Management {? Manish ?}: Welcome. Welcome back.

Manoj Kumar – Adinath Financial Services: My suggestion was that we should structure Indo Asia's funding requirements through equity. The market is very good, and our financial strength is very good. This would mean that we would not have to take any loan whatsoever.

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Management {? Manish ?}: The return on equity would reduce if we funded it entirely through equity.

Manoj Kumar – Adinath Financial Services: Why would that be the case, sir? This is a huge project, and the profitability will be very good. We have already issued shares at the rate of 278. The last allotment in Indo Asia was made at the rate of 278.

When we can command a very good premium in the market, if we issue shares at approximately 500–700 rupees, depending on market demand, we can have enough money to fund our project.

Management {? Manish ?}: You are right. That is definitely an option. It is certainly an option.

Manoj Kumar – Adinath Financial Services: Then we would not be burdened at all with any loan repayment, term loan, or anything else. We would be free from all those difficulties.

Management {? Manish ?}: Look at the numbers. I agree with you from the perspectives you have just mentioned. It would actually help management as well to have less stress on the...

Manoj Kumar – Adinath Financial Services: Recently, we also received an equity infusion in Indo Asia of approximately {? 8 about 32 crores ?} rupees through one round. We have received it. Why do we not approach all those people who are interested in investing? We can do that. We have a stake of more than 50%, and we could reduce and dilute the remaining portion to finance the project.

Management {? Manish ?}: Here is the answer. We definitely have that option, and, as you rightly said, we have tested the waters. By saying that we have tested the waters, I mean that there is interest. That option remains valid.

The trade-off is that if we are able to successfully execute the project without diluting at present, generate profits, and build the numbers, and then dilute later, there would be a significant upside for Kiri's shareholders. The value creation from deferred dilution after execution of the project would be much higher.

Capturing that value for Kiri's shareholders would provide greater benefit to them. With that in mind, and considering the larger interest of shareholder value creation, we are proceeding with the capital structure that has been decided today.

However, as you said, there is always an option to do that and complete the financial requirements if needed. There is sufficient interest for that. We have tested the waters, invited potential investors, and seen actual infusion. That remains a Plan B, but we will see how we can progress from here.

Manoj Kumar – Adinath Financial Services: Regarding our Odisha foray, in an interview, the MD of IPICOL had stated that Kiri is participating in an agrochemical complex near Dhamra Port.

Management {? Manish ?}: There have been discussions regarding certain chemical projects, including a large project, which we would not embark on immediately until we make the existing projects operational.

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It is part of our long-term vision, and approvals also take time. We have looked at certain chemicals and specialty chemicals. Again, these are part of the country's import-substitution and import-replacement requirements.

However, this opportunity is currently quite far away. It is at a preliminary stage, but we have serious interest in developing a large chemical complex somewhere near the port. The government has provided us with substantial support in terms of incentives and in terms of the requirements that such a project might involve.

We continue to explore these opportunities, but execution will take place sequentially and not in parallel.

Operator: Thank you, sir. Ladies and gentlemen, that was the last question for today. I now hand the conference over to the management for their closing comments.

Management {? Manish ?}: Thank you all for participating in this earnings conference call. I hope we were able to answer your questions satisfactorily and, at the same time, provide insights into our business. If you have any further questions or would like to know more about the company, please reach out to our Investor Relations managers at Valorem Advisors. Thank you, and I wish you all a great day ahead. Happy Independence Day to all. Thank you.

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

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.