Kiri Industries Limited

Future Full of Colours.....

November 12, 2026

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

Dear Sir/Madam,

Sub: Submission of Transcript for Q2/H1-FY27 Earnings Conference call

In compliance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the Transcript of Q2/H1-FY27 Earnings Conference Call held on Friday, November 06, 2026.

The Transcript of Q2/H1-FY27 Earnings Conference Call is also available on website of the Company at www.kiriindustries.com.

You are kindly requested to take note of the same.

Thanking You,

Yours faithfully,

For Kiri Industries Limited

GONDALIA SURESH SAVAJIBHAI

Digitally signed by GONDALIA SURESH SAVAJIBHAI
Date: 2026.11.12 14:29:50 +05'30'

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

Kiri Industries Limited
Q2 and H1 FY'27 Earnings Conference Call
November 06, 2026

Moderator: Ladies and gentlemen, good day and welcome to Kiri Industries Limited Q2 and H1 FY'27 Earnings Conference Call hosted by Valorem Advisors.

As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Purvangi Jain from Valorem Advisors. Thank you and over to you Ma'am.

Purvangi Jain: Thank you. Good morning, everyone and a warm welcome to you all. My name is Purvangi Jain from Valorem Advisors. We represent the investor relations of Kiri Industries Limited.

On behalf of the company, I would like to thank you all for participating in the company's Earnings Conference Call for the 2nd Quarter and first half of the Financial Year 2027.

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

I would now like to introduce you to the management participating with us in the conference call. We have with us Mr. Manish Kiri, Chairman and Managing Director, Mr. Jayesh Hirani, Vice President, Account and Finance, and Mr. Suresh Gondalia, Company Secretary. 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 2nd Quarter and first half of the Financial Year 2027. I hope you are all keeping safe and well.

Let me first begin with an update on our integrated copper and fertilizer project, which remains central to our long-term growth strategy. During the quarter, we made further progress on engineering, procurement and construction activities. Procurement of major plant and equipment advanced substantially with equipment deliveries commencing at the site, Civil, foundation and structural works are also progressing across key operating units.

In parallel, we continue developing the supporting infrastructure including the dedicated jetty, desalination facilities and raw materials handling conveying systems. We are also advancing discussions with the international mining companies and global trading houses to establish long-term sourcing arrangements for copper concentrate, rock phosphates and key raw materials for the project.

Our approach continues to focus on phased implementation with downstream value added copper fertilizer facilities planed ahead of the smelting complex. The project remains on track for phase one commencing in first half FY'2028.

During the quarter, we also completed the acquisition of 40% stakes in Makilala Mining Company Inc, in the Philippines and incorporated Andamina SPA in Chile to pursue mineral resource opportunities. These initiatives are aligned with our broader strategy of strengthening our copper value chain and securing long-term resources availability.

With the update on our strategic growth initiatives, let me now run through to the performance of our existing dyes, intermediates and basic chemicals business. The operating environment for dyes and dyes intermediates industries remains supportive during Quarter 2 FY'27. With market prices of key dyes intermediates particularly H-Acid witnessing a meaningful improvement, prices of vinyl sulphone also remained during the quarter. However, a significant portion of our sales during the period was executed against the orders contracted earlier. Consequently, the benefit of improved market prices was only partially reflected in our performance and is expected to get reflected progressively in the realizations over the continuing quarters and the next quarter subject to the sustainability of prevailing market conditions.

On the cost front, operating profitability was impacted by higher input cost, particularly fuel, power and effluent treatment expenses that we spent in the quarter. While raw material cost increases across several product categories were effectively passed on to the customers. The narrower price cost spread in dyes intermediates impacted the sequential material margin performance. We remain focused on improving operational efficiencies, managing cost and strengthening our product mix while responding to evolving market conditions.

On a standalone basis revenue from operations for Quarter 2 FY'27 stood at INR 288 crores, registering a growth of 48% year-on-year. Material margin improved to 29.1% from 26.4% in the corresponding quarter last year. Standalone EBITDA stood at about INR 7 crores with an

EBITDA margin of 2.4% compared to the loss of INR. 14 crores in the corresponding quarter last year. Higher operating expenses, particularly fuel, power and effluent treatment costs continue to weigh on operating profitability. Loss after tax stood at INR 23 crores. For the first half FY'27, standalone revenue from operations stood at approximately INR 584 crores. The company recorded an EBITDA of about INR 30 crores during the period. Profit after tax stood at INR248 crores, largely supported by treasury-related gains recorded during the first quarter. However, the 2nd Quarter performance was impacted by an unrealized non-cash fair value loss on treasury investments.

For the quarter, on a consolidated basis, revenue from operations stood at INR 299 crores, registering growth of 40% year-on-year, consolidated EBITDA stood at INR 2 crores, consolidated loss after tax stood at INR 39 crores before accounting for share of profit from associates.

On a consolidated basis revenue from operations for the first half of FY'27 stood at approximately INR 611 crores, with EBITDA of approximately INR 19 crores. Profit after tax stood at approximately INR 231 crores before the share of profit from associates. Reported profitability during the quarter was impacted by an unrealized non-cash fair value loss of INR 57 crores on treasury investments, which was an indication of mark-to-market fluctuation on both a stand-alone and a consolidated basis. This was partly offsetted by realized treasury gains and other income. The company's share of profit from associates, primarily contributed by Lonsen Kiri Chemical Industries Limited, in which the company holds 40% equity stake, stood at INR 16 crores during Quarter 2 FY'27 and approximately INR 37 crores during H1 FY'27.

Looking ahead, demand for dyes and dyes intermediates is expected to remain stable throughout the second half of FY'27. Supported by continued activities in the textile sectors. Although our existing business, the integrated copper and fertilizer project represents an important part of our long-term growth strategy, the long-term outlook for copper remains favorable, driven by increasing demand from power infrastructure, renewable energy, electric vehicles and digital infrastructures.

Domestic refining capacity continues to lack consumption growth, providing opportunities for domestic players. At the same time, global commodity markets continue to experience volatility arising from geopolitical developments, supply chain disruptions and evolving trade dynamics, resulting in fluctuations in the copper prices, concentrate availability and treatment and refining charges.

Against this backdrop, our phase project implementation strategy with downstream value added facilities being commissioned ahead of the smelting complex is expected to provide operational flexibility and cash flow to the company. The fertilizer sector also continues to present attractive opportunities supported by India's structural dependence on imports of phosphoric fertilizers and the need for enhanced domestic production capacity.

Our integrated copper and fertilizer complex is therefore positioned to participate in the long-term opportunities across both the sectors in the country. The group's strong balance sheet and liquidity positions continue to support project execution and future growth initiatives. Our focus remains on sustaining the performance of our existing chemicals business, maintaining financial discipline and executing the copper fertilizer project in a timely and disciplined manner as we build the next phase of growth for Kiri industries.

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

Moderator: Thank you very much, sir. We will now begin the question and answer session. First question is from the line of Priyansh Lakhotia, an individual investor. Please go ahead.

Priyansh Lakhotia: Okay, okay, great. So, first of all, thank you for the presentation. I think that was very well prepared and we really liked seeing the progress developments in the copper mine also. So, thank you. The first question is a combination of a few factors. So, I wanted to know what is the latest price of H-Acid and Vinyl Sulphone and despite the three times increase in H-Acid, and as it was explained in the last AGM that since Kiri sells H-Acid to India JV, which consumes it as raw material. So, the JV will be realizing high profit on sales of the same product. But still after consolidating results of the India JV, and even if, let us say, if we include the fair valuation loss of around INR 15.5 crores, there is still loss of Rs. 7 crores at EBIDTA level. Why is this so? Is it because the expenses include legal expenses for the Philippine mine-related matters? If so, what is the, you know, what is the amount of such legal expenses, whether this is a one-time amount, or will you also see this incurring in the next quarter 3, basically?

Manish Kiri: So, the legal expenses in this quarter is not much actually. Legal expenses in the quarter is less than INR 3 crores. So, it is not the reason for the, you know, for the profit which you see is comparatively lower with respect to the increase in the raw material prices which have taken place. So, there are few factors which affect the, you know, the price increases to get reflected with our performance, with Kiri's performance. The JV, as well as large part of Kiri sales, remain for dyes, for the finished products. So, the impact of increase in the prices of H-Acid to get reflected into increase in the dyes prices takes around few months' time, let us say a quarter time. So, the reason why you see the profits comparatively lower is because of the earlier quarters and earlier orders which are being executed, mainly pertaining to dyes, as the prominent business of the company continue to remain selling dyes. And that is main factor where the earlier orders execution have not got reflected the current profitability but it is kind of a one quarter or two months delay. So, you will see the impact coming in the current quarter. So, where the significant changes have taken place. So, which you will realize when you see the results of current quarter which is going pretty strong. Now, with respect to the current prices of H-Acid and Vinyl Sulphone, Vinyl Sulphone cost has also substantially increased with the highest prices of sulphur as well as aniline going in the market. So, that has not been reflected as an incremental, you know, multi-fold profit. So, even though Vinyl Sulphone prices are above INR 450 today, the cost has also increased significantly. On the other hand, H-Acid continues

to get exported from India to China. Even till last month, the flow of products is continuing to get exported to China and that is given exceptionally higher range of pricing currently. So, H-Acid prices are ranging from INR 1600 to INR 1800 for the last three to four weeks and it is in this range bound but this is still a decent higher level pricing. And we hope that this continues. Now, because of that, the prices of dyes have also increased and those increased dyes prices have now got reflected in the market as well. So, these are the factors which have contributed, you know, the reflection of profitability, a delay compared to the instant effect.

Priyansh Lakhotia: Got it. So, looking forward to the next quarter, sir.

Manish Kiri: Yes, you got a big difference there.

Priyansh Lakhotia: Amazing. My next question was, since Kiri has now acquired, I think, 40% equity in the Makilala mines in the Philippines, we know that as far as established business practice, whenever a company acquires such a significant stake in a JV, then there is definitely, you know, also take a position of a senior CXO, for example, CEO or CFO for that matter. So, that we have operational control over the business and we prevent any worst situation where any JV, other JV partner can mismanage the business or siphon off the funds, let us say. So, I wanted to know what is the timeline there or what is the plan there for Kiri appointing the CXO or CEO or CFO in the Makilala Copper Mines?

Manish Kiri: So, you know, Kiri continues to be the minority shareholder in Makilala Copper Mines. But Kiri continues to participate in the management of the company at a board level, deeply, regularly and continuously. With that, the entire team, the key management team of Makilala mining has already been changed. So, there is a new transformative team, which jointly, Kiri and Sodor have appointed and the new management have taken a flagship and have already started running and operating the development of the mine with very, very experienced, credible new CEO. His name is Yulo Parese. He was a leader with Carmen Copper, the largest operating mine of copper in Philippines. And we are pleased to welcome him and he has joined to lead the project of Makilala mining. So, the team has been transformed. The new team, the new CFO has also taken place, you know, as resumed. And again, Kiri was involved in selecting and choosing each of these new key management individuals who have now been appointed and they are running the company at the moment.

Priyansh Lakhotia: So, if I heard you right, then basically these key KMPs are neither from Kiri but also not from the other partners. They are from let us say from other cities and they have been selected in a joint manner.

Manish Kiri: Right. And also, Kiri has already made the subsidiary of Kiri operational where Kiri is deputing its own persons there which is called Carabao Corporation which is again a wholly owned subsidiary of Kiri, another subsidiary of Kiri and which is operating well there as well.

Priyansh Lakhotia: Okay, got it. My final question was, what is the status of the preferential allotment of shares and it will be better if, you know, you abandon the preferential shares, it is INR 425 per share and instead make a right issue to our shareholders so that all the shareholders are benefiting, sir.

Manish Kiri: The point is well taken. The process of preferential shares allotment is ongoing right now and it will be completed on its due course. But your point is well taken. As far as I know, the preferential allotment price is, what is the price for this?

Management: INR 475.

Manish Kiri: INR 475, okay. That is the price of preferential allotment.

Priyansh Lakhotia: 475. Okay, I hope you will take this into account. Thank you.

Manish Kiri: Thank you.

Moderator: Thank you. Next question is from the line of Suresh Baramchati from Barams Financial. Please go ahead.

Suresh Baramchati: Good afternoon, sir. Manish sir. You remember Suresh from Andhra Pradesh?

Manish Kiri: We always remember you in every call. You are welcome. Thank you for attending the call.

Suresh Baramchati: Sorry, sir. One question I am asking. Do not misunderstand. Sir, I invested 15 years ago, sir. I bought at INR 600 rupees. But if you are in my place. What you should do, transition. I hope that all, my age is completed around 53. But I, actually, generally, stock market investors, already stock market investors sold all shares after the share price increases, normally. That is why I am, I am sorry. I am also signed off, you say. Today, I will dispose all shares, sir. Sorry. I have waited for 15 years, and I lost a lot of money. But you are not a reason. I have not blamed you. But I hope the generally stock market things, I will sadly leave it, your company. Sorry for this. Actually, I am, before case, your court case. After you will give, and that time I will hope that you will not leave it. Sorry sir, I am not asking this type of questions. Please any guidance or any suggestion. I have not understand, sir.

Manish Kiri: Yes, yes. Let me first address your first concern. Okay? You have, as you have mentioned, and I take it what you just said, that you have been with company for a very long time, right? So, you have been a strong supporter for many years, right? Now, looking at the time, the point which is, you know, I would call the inflection point where the growth has triggered, the company has embarked on something that will change its performance, profitability and future outlook as well. So, you have come to a point after so many years where, you know, where we have started the growth journey. My request to you, and if I were at you, please wait for a few more years. Let the fruits of our investment, because the investment phase has just started.

All the litigation time that we spent of more than 11 years and post-investment of Dystar 15 years, we were all deprived of growth. That growth journey has started. So, growth journey will continue now and will be on a fast track. If you continue to be associated with the company and enjoy the growth coming, you know, you would definitely benefit. Market would reward when the results and the performance of the new initiatives and our new projects come in the next few years. So, that would be my request to you as the promoter of the company and also the Chairman and Managing Director of the company. So, you should continue to keep trust. You have done it for 15 years and few more years will get you the fruits of what, you know, what you have implanted all these years. That would be my request to you.

Suresh Baramchati: Actually, I will dispose from half of today in my portfolio, but actually I have taken MTF stocks. These are my personal reasons. Actually, I will sell sir, but actually, a price will continuously decrease. Last time also INR 380 or INR 330, it will come in. In future, it will be any support in your side in market. You are also taking INR 475 sold before call. Actually, your opinion, growth will continue, how much time wait first. After, I will try to, after sometime, I will try to accumulate. You have taken, how many years you have taken in growth prospectus? Please tell me.

Manish Kiri: If you look at the execution plan of the growth initiatives that we have started, it is the window of next two to three years, correct? Number one. Number two, for the next two to three years, as and when the project execution of various milestones get completed, the perceived project risk would reduce. I am sure the market participants would reward all the shareholders, including me and you, once we see the project risk diminishing, once we see the execution of various milestones getting succeeded, and that would be the time where I think market should reward all of us. Again, this is my personal opinion, which I am sharing with you, and this is what I believe, which I am transparently sharing with you. Again, it is your call, your decision at the end of the day, based on your personal circumstances, which I was not involved with, but as far as the growth of the company is concerned, that is going to come in the next few years.

Suresh Baramchati: Best of luck, sir. Sorry for any disturbance.

Manish Kiri: And we wish to give you confidence, and we understand your concern.

Suresh Baramchati: Actually, I am not handling that holding, but that is why at least I hold 1,500 shares. I will try sir. Thank you.

Manish Kiri: Thank you.

Moderator: Thank you. Next question is from the line of Pradeep Rawat from Strategic Alpha. Please go ahead.

Pradeep Rawat: Yes, good afternoon, sir, and thank you for the opportunity. Am I audible?

Manish Kiri: Yes, Pradeep ji. Can hear you.

Pradeep Rawat: So, my first question is relating to H-Acid disruption. So, we know that the supply for H-Acid in China was already thin, and the environmental norm exorbitated the situation. I just wanted to know if you can provide further color on these norms if it is hard to implement by Chinese producers without increasing the cost of production, and whether you are seeing a cost advantage against Chinese players due to these new regulations.

Manish Kiri: So, there are certain regulatory reasons because of which the disruption has taken place with regards to H-Acid. One, the Chinese production has drastically reduced, and that has happened because of the implementation of the new regulation which requires the nitration to be conducted as a continuous nitration rather than a batch nitration. And that has caused reduction in production in China. That has not allowed the Chinese producers to produce as much quantity as they used to produce earlier. Based on our latest information, they are not able to produce more than 50% of their requirements. So, approximately 100,000 tons of H-Acid is produced in China, and current production is less than 50,000 tons. So, that leaves a huge gap, and supplies from India is trying to breach that gap. Now, is this a continuous phenomena? Our opinion is no. There would be a time where all the players and all the producers, at least majority of them would try to come on stream. They will implement the new regulation and comply with it. We learn that the continuous nitration process in China is advancing with various producers to get implemented in their plant. Once it happens, once the production comes on stream and the regulatory consent are given to them, whoever implement the new guidelines in China, the production in China will resume. Whether that will happen in three months, six months, we do not see a visibility of this getting stabilized at least before next March. So, this financial year would continue to see the disruption till the end of the financial year. Nobody has visibility of what would happen from the next three to four months onwards, but we would learn as the time passes. So, let us see how the Chinese producers are able to comply with the new guidelines and how fast they are able to increase and bring their production on stream compared to what the quantitative production used to be earlier. And then we will be able to see the prices stabilizing, dropping and bringing it down to the natural prices. Again, those natural prices which we would expect to happen would be higher than the earlier prices, may not drop as below because the raw materials have also increased significantly. So, in line with how the raw materials have increased, the prices of H-Acid may stabilized by half year 2027. I mean the calendar year. So, let us hope and continuously evaluate the situation evolving in China and we will keep you updated.

Pradeep Rawat: So, the cost of production for continuous process as compared to batch process is higher or lower?

Manish Kiri: So, the technical inputs indicate that the cost would not increase, the capital investment will increase. So, the producers will have to put more CAPEX to implement and restructure their plant for this particular step. But the raw material cost is not going to change much or raw

material cost at India as well as at China are going to remain in parity and which are in parity today. So, we are not expecting the operational cost at a higher level with Chinese producers. We expect that they would remain at a similar level at which we are and the same situation was earlier as well. The price increase may reflect the proportionate increase in the raw materials but incremental exceptional margin will go away the moment the production stabilizes in China. And as far as India's capacities are concerned, we are already over-capacitized as on today. So, the consumption in India is somewhere around 3000 tons a month, around 30,000 tons to 40,000 tons a year and our production capacities are close to 60,000 tons a year.

Pradeep Rawat: Okay. Is there any facility in India or in China that uses continuous nitration as of now?

Manish Kiri: No facility in India as such and as such no facility in China. It has not been established yet. Right? So, none of the facilities that we are aware about is using continuous nitration anywhere. Particularly for H-Acid. For other products, yes. But for H-Acid.

Pradeep Rawat: Perfect. And my second question-

Moderator: Sorry to interrupt.

Pradeep Rawat: I will join back in the queue.

Moderator: Thank you, sir. Next question is from the line of Ishan Bhave from Fident Asset Management. Please go ahead.

Ishan Bhave: Hello. Can you hear me?

Moderator: Yes, please proceed.

Ishan Bhave: Perfect. Could you help me understand of your current capacity for dye intermediates? How much percentage would you have locked in the prices in the previous quarter for the coming quarter? And let us say how much is sold at the spot price? And within the same realm, have the increases in dye prices been in tandem with the increases in the dye intermediates tandem? The crux of the question is, do you plan to shift from using the capacity in house to selling the dye intermediates as a predominant product in the market?

Manish Kiri: The answer is no because the primary business of the company is to sell dyes and the long-term established customers are pertaining to the dye sales and which are used in textile leather and paper, predominantly textiles. Now, intermediate selling is not the business of the company as such. Whatever intermediates that we produce, today more than 90% of those intermediates are consumed in-house in our own group units. So, that is the business model. And that is how we have been operating for years. Now, the consumption, if it is lesser, then we opt to sell the remaining intermediates in the external market outside. Selling dyes is a long-

term business as a long-term phenomena for the company while selling intermediates is not a long-term business model for the company. There is a long-term business model for some companies who are not producing dyes or who are not present in dyes or the dyes business is minimum. So, there are certain peer group companies who predominantly operate in selling intermediates which we do not. Now, how much is in-house consumption of captive consumption of intermediates? Around 95% is the captive consumption of intermediates. Now, you know, spot prices sales of intermediates could be temporary, opportunistic, which we could do. But that can happen once our long-term dyes supply orders get completed. So, we have a running order book of at least two to three months of dyes. And those products which are being sold to dyes players, they are one of the global prominent players including Dystar. Even though Kiri exited from Dystar, Dystar continues to be a major customer. And for Dystar, Lonsen Kiri continues to be the single largest supplier globally. So, that relationship is still continuing. And other customers as well, this is an example. So, there are prominent players, global players, who rely and who depend on Kiri Group for the supplies of dyes. And that reliability, that trust, needs to continue because it is a long-term business model that we have. At the same time, you know, we try to increase our production of intermediates. Your another question was how much capacity which we have been able to produce at intermediate level. So, with a combination of shortages of raw materials and our efforts to increase the operating capacity of intermediates, we are still operating overall intermediates less than 60%. So, we have a room to increase. And that is what the management is trying to implement for the last two, three months to increase the production and the operating capacity of intermediates to have more quantities that we can sell outside even though we fulfill our entire requirement captivity. And those efforts would get reflected in the coming quarters.

Ishan Bhave: Sir, within my previous question, I also wanted to understand have the dye prices moved along with the intermediate prices?

Manish Kiri: Yes, yes. Dyes prices have moved along. Now, reactive dyes prices are around in the range of INR 1500 to INR 1600 rupees of H-Acid base, correct? So, dyes prices always move based on the increase or decrease of intermediate prices. It is only a time factor. It takes time to get reflected in dyes to get implemented because there are pending orders. Majority of the dyes are exported, you know, at least 50% exported. So, there is a transit time of export. There are dyes which are in inventory sitting in the overseas warehouses as well. So, there is a supply chain and there is also an order book and pending, running orders of large and various customers that allows the price increase get reflected with a time lag. And that time lag ranges from two to three months. That is the only matter, you know. Otherwise, it always gets reflected into increase in dyes prices and it has always been passed on with the time effect.

Ishan Bhave: Sir, so my final question to you, as you just said a moment ago, you still have a two to three month order book ready to be shipped and delivered. So, Q3 might not see a big impact on these H-Acid prices. Q4 is when you might realize the full amount, right? And continuing on the question of new places to invest in, could you please help us understand a bit more as to how

the copper mine is going to play into the whole copper and fertilizer expansion that we are getting at? Thank you very much.

Manish Kiri: Right. So, just to address your first question, with regards to the price increases with Q3 and Q4, you know, the quarter 1 and Quarter 2, these two quarter, were good enough to complete the increasing cost and continuing orders to get completed. You will see a moderate reflection into realization of price increases in this quarter 3, which is the running quarter, and also even higher in quarter 4, right? Similarly, when the prices start going down, there is also one quarter lag. That means the quarter, even after the prices go down, for the dye sales, it would reflect relatively better compared to the drop in intermediates. So, quarter 3 and quarter 4, both will have significantly higher performance compared to quarter 1 and Quarter 2, where the absorption has taken place. So, that is your first question, right? And I hope I have addressed it properly. Now, the second one with regards to the mining, the Makilala Mining is our first experimental investment into upstream. Now, it will produce 140,000 tons copper concentrate and around 100,000 tons copper concentrate would come to India to our facility. Out of our 1.6 million tons of requirements of copper concentrate. That means that the current expected capacity of Makilala Mining coming on stream by 2028-29 would get us close to 6% to 7% of our total requirement. It is a small portion compared to what we need as a whole, but we would be able to learn during this process how we are able to handle and manage the upstream operations. But the dependency on Makilala Mining compared to the total requirement is relatively much lower.

Ishan Bhave: Thank you. Thank you so much.

Moderator: Next question is from the line of Sandeep Raj from Oculus Capital Growth Fund. Please go ahead.

Sandeep Raj: Hi, sir. Good afternoon. Happy Diwali and happy Dhanteras to you.

Manish Kiri: You too.

Sandeep Raj: Thank you. Sir, my question was regarding this mining. So, what is the CAPEX that we will have to do in this mining to get it started?

Moderator: The line for the management got disconnected. Please stay connected while we reconnect them to the conference. Okay. Thank you. The line is reconnected. Please repeat your question, sir.

Sandeep Raj: Hi, sir. Am I audible?

Manish Kiri: Yes, please go ahead.

Sandeep Raj: My question was, yes, right no worries. So, my question was regarding what is the CAPEX that we will have to do for the mining for the 40% that we have acquired.

Manish Kiri: So, the CAPEX which is going to take place at MCB project for Makilala Mining is about USD 280 million. That is the total CAPEX which will be invested there in Philippines, right? Now, how much equity, how much debt, all those factors are still under evaluation. But as per our assessment, you know, Kiri might have to invest a little bit more than USD 40 million as a whole for the equity part of the total CAPEX requirement.

Sandeep Raj: Sir, balance will be as a debt?

Manish Kiri: Balance will also be the strategic equity, the domestic partner equity and the debt.

Sandeep Raj: Okay, okay. I think you mentioned like 100 tons of, 100,000 tons of copper right, every year?

Manish Kiri: Yes, which is 70% of the output there.

Sandeep Raj: Okay, okay. Understood. And secondly, regarding this kind of 40% state that we have acquired, is there anything that Celsius can do? Is there any, basically any hangover that we have for the stake?

Manish Kiri: You know, there were a few arbitration awards which have taken place. There are many disclosures at various platforms, including Philippines on Australia Stock Exchange by Celsius. So, and there has been litigation involved as well. Now the court awards, the arbitration awards, till now are very positive for the development of the mine and for our investment as an overseas investment into Philippines. Celsius has, what we expect, has gone to appeal. And we will continue to deliberate and continue to address the appeals court in Philippines whenever the hearing takes place. But we are, you know, our council and we are committed to the project. As far as the project operations are concerned and the new management team's focus is concerned, which would not be related to the litigation or the legal disruptions which the management would not be involved in. So, but yes, the Celsius would contest and Celsius would go to appeal and we will also represent ourselves in the appeal.

Sandeep Raj: Okay, and sir, just one more thing. So, what is the timeline for downstream and what is the timeline for the upstream products?

Manish Kiri: 2027 to 2028. So, next financial year, almost all of our downstream products will be operational, right? So, and then 2028 - 2029, then the smelter, fertilizer, precious metal refining, the other units will be operational. But next financial year, almost all downstream will be operational and all downstream combined together would be around 2.6 lakhs tons copper would be operational.

Sandeep Raj: That is the total capacity, right?

Manish Kiri: No, that is the downstream capacity.

Sandeep Raj: Downstream capacity. Okay, and what would be the production guidance for the next three years, like once we start?

Manish Kiri: So, once we start it would be 0.5 million tons, 5 lakh tons copper, 1.1 million tons, 11 lakh tons of fertilizer.

Sandeep Raj: Okay, all right. Thank you so much, sir.

Moderator: Thank you. Next question is from the line of Reuben from Equity Intelligence, please go ahead.

Reuben: Just one thing, with regards to copper cathodes, we have been hearing that we have been purchasing a lot of them from Japan, and now it is in short supply.

Moderator: Sorry to interrupt, Reuben. Your audio is not clear. I request you to please use your handset.

Reuben: With regards to copper cathodes, we have been hearing you guys have been importing a lot of them from Japan, and now it is in a little bit of a short supply. Can you give us an update on that?

Manish Kiri: Copper cathodes from Japan with a bilateral treaty between India and Japan are duty-free. Right? So, Japan is the only country that can provide duty-free cathodes to India. So, Japanese cathodes are preferred, and Japanese cathodes are not sufficient enough to cater the entire requirements of India to import cathodes. So, Japanese cathodes are always going to remain in scarcity because of the duty-free agreement. So, the cathodes are also available from other origins where the duty is implied, but one has to look at the combined cost of cathode. We would not be able to, as a country, get all the cathodes that we need from Japan duty-free. So, then whatever is available from Japan, what I understand is the Japanese cathodes coming to India is around 2 lakh tons, 200,000 tons. But our requirement is much, much larger than that. So, then the cathodes come from other parts of the world where the duty factors are involved. So, one has to, like us, has to estimate the blended average cost of cathodes once we start using cathodes. But then, when the furnaces are operational, in addition to cathode, as we will be making cathodes ourselves, so the blisters, anodes, scraps, lot of secondary material available in the market would be sufficient to process.

Reuben: Okay. So, there will be sufficient supply. So, that will not be an issue once you start.

Manish Kiri: Okay. It is only the cost factor that you have to balance out.

Reuben: Done. Okay. And, that is-

Moderator: Sorry to interrupt sir. I will ask you to rejoin the queue, sir, for the follow-up. Thank you.

Reuben: Okay. Thank you.

Moderator: Next question is from the line of Harshit Khadka from Robo Capital. Please go ahead.

Harshit Khadka: Thank you for the opportunity, sir. Am I audible? Yes, sir.

Manish Kiri: Yes.

Harshit Khadka: Yes sir. Thank you. So, I just wanted to understand, sir, what can be the peak revenue that we can achieve from our dye business?

Manish Kiri: We would be able to achieve on consolidated basis right close to about you know INR 1300 crores to INR 1500 crores of revenue in that range that would be the peak revenue.

Harshit Khadka: How much of that would be H-Acid and vinyl sulphone would it be around INR 800 crores, INR 1,000 crores?

Manish Kiri: No. It is INR 1,200 crores to INR 1,500 crores and almost everything I would say more than 95% would be would be dye sales H-Acid and vinyl sulphone would be consumed by us whatever we produce but the sales which get reflected on a consolidated basis is all dye sales. So one is a dye sale of Kiri Industries Limited and then and then the dye sales of JV. So the consumption between Kiri and the JV put together is around more than 95% of our own production. So everything is consumed in house and the finished products as dyes are sold in the market domestic as well as exports both.

Harshit Khadka: And what kind of EBITDA margins can we make on these INR 1300 crores to INR 1500 crores top line?

Manish Kiri: Well, right now if you look at the last quarter it was hardly 3% to 4% but I would say going forward we will be able to have at least 8% to 10%. The target is to have that.

Harshit Khadka: 8% to 10%. Alright sir. Thank you.

Moderator: Thank you. The next question is from the line of Pradeep Rawat from Strategic Alpha. Please go ahead.

Pradeep Rawat: Yes, thank you for the follow-up. So my next question is relating to our dye business given the dyes manufacturing also involves polluting processes so can we expect potential or less intense H-Acid like disruption in dye manufacturing business as well in China?

Manish Kiri: H-Acid as you very rightly said you know, producing H-Acid is not only a matter of install capacity and all plants across at least in Gujarat are all zero discharge plant right? Every H-acid products producing company is limited by the quantum of effluent, that it can treat and zero

discharge which means that treat and evaporate. So that defines the capacity. It is not the installing vessels that define the capacity and same thing is now prevailing in China as well. So if you look at over the years because of the environmental strictness in China in the last 10 years, 12 years from 2014 till now we calculated, I mean the numbers which we calculated earlier were 16 to 17 plants producing H-Acid today is hardly three plants in China who have survived and who are producing H-Acid in China. So they have also gone through this consolidation process over the years and the consolidation was driven by the market forces and especially the regulatory norms which continued to get strengthening in China as well. So, there are limited players globally from next year onwards who would be operating in making H-Acid in fact in India and China both.

Pradeep Rawat: Yes. So, the H-Acid part was quite clear. So I just wanted to understand that similar thing could happen in dye manufacturing as well because similar to H-Acid dye manufacturing also involves hazardous processes.

Manish Kiri: I do not think so because dye manufacturing is not that much of effluent generating. Dye manufacturing is also vastly in India been done at unorganized level with large number of MSMEs present in the market as well and it is relatively easy to treat and to recycle the effluent of dyes and CAPEX is also lower. So, what you have seen at H-Acid level can happen with other intermediates but synthesizing dyes across India as well as in China does not require that much of the capital investment on the treatment and the treatment itself the process and the technology is pretty easier because the pollution load in dyes manufacturing is much lesser.

Pradeep Rawat: Okay. That was helpful and one quick question-

Moderator: Sorry to interrupt Mr. Rawat may I please request you to rejoin the queue sir. Thank you. Next question is from the line of Pushkar Jain from Milli Capital. Please go ahead.

Pushkar Jain: Yes. Hi sir. Am I audible?

Manish Kiri: Yes, we can hear you.

Pushkar Jain: Yes sir. Just wanted to understand why in spite of huge price hikes our margin would be 8% to 10% when our peers are you know doing substantially higher margins. Can you give some clarity on that and also you said reactive dye prices are like USD 1500 to USD 1600. So, what was it before the H-Acid prices started we were PV on the normal level.

Manish Kiri: So regarding your first question I already explained I think two times earlier in the call and I would humbly request you to go through the earlier transcript here where we explained with regards to the margin. Yes, we explained with regards to the times like it takes to get the price.

Pushkar Jain: Sorry to interrupt. No, I got that but there was confusion in our margin profile. Why are our margins are capped at 8% to 10% times because I understood that we will pass it on.

Manish Kiri: Yes, if you have heard earlier conversation, our business is to sell dyes and when the price increases getting reflected few months you know later than the intermediate price rises when they actually happen. Yes, right? That is one part right? Second before the price increase in H-Acid started stability of H-Acid was around INR 400 to INR 450 maximum INR 500. So that was a that was a range INR 400 to INR 500 where H-Acid has been hovering for almost five years in fact, you know, before the price hike started. That is just a normal range and that also is defined by the prices of naphthalene prices of Sulphur and the prices of caustic, prices of methanol. So methanol prices have gone up caustic is relatively gone up, naphthalene has doubled, sulphur price has gone up seven to eight times. Several factors have affected increase in the H-Acid cost as well. So, but the price increase from INR 500 to INR 1600, INR 1800 is much larger height than the increase in the cost. So, the incremental margin is higher.

Pushkar Jain: Okay, okay. Thanks a lot sir.

Moderator: Thank you. Next question is from the line of Ishan Bhave from Fident Asset Management. Please go ahead.

Ishan Bhave: Sir, last time in the call you had talked about going to the LME event to secure copper sourcing for the new downstream project. So, could you elaborate a bit more on that?

Manish Kiri: Yes. So, we along our entire team participated in LME event, LME week, you know, about last month a very very productive, very informative. Copper future, metals future, right? How the supply demand looks like, how the price ranges are getting defined for next year supplies, which are the quantities available from which mines, which processor right? What is everyone's outlook on next year particularly? All important information along with the networking of major players in the market took place when we were there and now we have fairly good visibility. We will have almost 80% of our requirement to be secured visibility on copper concentrate as well as other copper semi-finished products. So we have got better visibility. We have got few more quantitative assurances from these suppliers and we are satisfied to come to almost 80% of our total requirement to get almost lined up. Our book for sourcing is stacking up to the to the needs. So, which is quite positive in fact.

Ishan Bhave: Also one last thing, would be changing copper prices that are happening at a very regular basis what do you think might happen if copper prices go down and how would it impact our new ongoing project?

Manish Kiri: So, the most important part. There are two things which when we started and when we conceived this project the copper price was around USD 8,000 LME. Today it is USD 14,000 correct? And the processing business of copper is pretty standard business where you get a

spread between LME minus sourcing and LME plus sourcing. Just to answer your question the spread between LME minus to purchase and LME plus to sell depending on products you sell right? That spread remains constant irrespective of the you know LME prices number one. Number two the risk what you carry is an operational risk between buying the raw materials and selling the finished goods and I think all the season players in copper globally, there is an established process to do hedging and there is a separate desk for hedging and we will have the same and every purchase is hedged with the price, with the time, with every sell that we are going to make correct? So, it is completely hedged. It is 100% hedge business on the purchase and sale side so that you do not either make anything on the higher fluctuation, on the higher side or you do not lose anything on the lower fluctuation, on the lower side but your spread continues to remain constant and consistent. So that is the business model.

Ishan Bhave: Thank you so much.

Manish Kiri: Thank you.

Moderator: Thank you. Ladies and gentlemen, we will take this as a last question for the day. I now hand the conference over to the management for the closing comments.

Manish Kiri: 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 offer 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. Happy Diwali to all of you. Thank you. Wishing you the greatest day ahead. Thanks a lot. Thank you.

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