Company Name: Kiri Industries Ltd

Quarter under review: Q1-FY27

Kiri Industries Ltd: Q1-FY27 Concall Highlights:

Kiri Industries Limited (Consolidated)					
INR In Mn	**Q1-FY27**	**Q1-FY26**	**Y-o-Y**	**Q4-FY26**	**Q-o-Q**
Operational Income	3,124	2,021	54.5%	2,505	24.7%
EBITDA	159	-163	NA	-1,424	NA
EBITDA M (%)	5.09%	-8.06%	NA	-56.85%	NA
PAT	2,700	-514	NA	4,985	-45.8%
PAT M (%)	86.44%	-25.43%	NA	NA	NA
Diluted EPS	44.89	1.75	NA	80.64	-44.3%

Operational Highlights:

- During the quarter, the copper and fertilizer project progressed significantly from the design stage into a structured construction phase. Orders have been placed for several long-lead mechanical, electrical, and utility packages, with remaining major packages at an advanced stage of finalization.
- Key enabling infrastructure continued to advance, including the captive jetty, desalination facility, dedicated raw material conveying system, and the project's long-term power infrastructure.
- Downstream copper facilities are planned for phased commissioning — copper tube by Q1 FY28, copper rod plant by Q2 FY28, and copper refinery by Q3 FY29, targeting a timeline roughly six months faster than the industry-standard 36-48 months.
- The overall demand for dyes and dyes intermediates industry witnessed some recovery during the quarter, with pricing of active dyes, vinyl sulphones, H acid, and certain basic chemicals strengthening due to tighter global supply and environmental compliance measures in China.
- Average capacity utilization in the dyes and chemicals business stood at around 60% for the quarter, with a cautious, demand-linked approach to ramping up further to 70-75% during the year.
- The company has secured a firm window of approximately 1 million tons of copper concentrate through MOUs with global miners and traders, against a full production requirement of around 1.5 million tons.
- Complete financial closure for the copper project has not yet been achieved, with more than 50% of debt commitments received and the rest in process; full closure is expected within the next few months.
- Tata Consulting Engineers has been onboarded since November 2025 as the owner's engineer, overseeing technology transfer, drawing/design approvals, and detailed engineering for the project.
- Plans include starting busbar and phosballs production alongside refinery operations, followed by a copper foil trial production line (initial 5,000 tons, scaling to 40,000 tons under the ECMS scheme).
- The company remains a passive player in the MCB copper-gold project, with mine development not yet started due to ongoing shareholder disputes; it has structured 70% offtake rights and continues to act as a lender to protect its exposure.
- The integrated copper and fertilizer complex is being developed at a single location near Pipavav port in South Gujarat, with around 1,000 people currently working on civil and mechanical construction at site.

Key Questions & Answers discussed during the Concall:

- **Given no dividends in 10 years, will there be any capital returns to shareholders?** I've noted your feedback. We reported one of the strongest quarters in our history, and we're deploying capital into one of the largest greenfield projects we've undertaken. Given the growth trajectory ahead, we've decided to retain capital to fuel this expansion rather than declare a dividend right now. If that changes in coming quarters, we'll be pleased to inform shareholders.

- **Is there any update on financial closure, and what exactly is Tata Consulting Engineers' scope?** TCE has been deployed as our owner's engineer since November 2025, overseeing technology transfer, checking and approving drawings and designs, and involved deeply in detailed engineering. On financial closure, we haven't achieved it completely yet — we've received more than 50% of debt commitments, with the rest in process, and we hope to reach full closure in the next few months.

- **How is the copper project progressing, and what's the capital requirement and timeline to cash surplus?** Capital is continuously being deployed, and our total requirement is estimated at close to INR 12,000 crores for the project itself, spread over the next two years. Part of the facilities will be operational in 2027, mainly downstream copper products, with full facilities becoming operational by 2028-29.

- **Have raw material requirements been tied up for the next couple of years, and at fixed long-term prices?** Long-term contracts in the copper concentrate business are typically done for two to three years. As of today, we have a firm window of approximately 1 million tons of copper concentrate through MOUs, against a full requirement of around 1.5 million tons once at 100% production. We expect this visibility to improve to 1.2-1.4 million tons by October.

- **When will first revenue from the copper business be recorded?** We expect it around the end of Q1, May-June 2027, which falls in FY27-28.

- **When will the complete copper business top line be achieved?** We're targeting FY2029-30, specifically Q4, as the year that will capture the majority of operational revenues.

- **Where is the copper project site located?** It's at one location near Pipavav port, South Gujarat.

- **Why is standalone profitability lower than that of the JV (Lonsen Kiri), despite similar operations?** We sell raw materials to the JV, and the JV captures the finished-product margin, so the full value chain needs to be viewed across both entities together. Additionally, more than 50% of the JV's products differ from ours — for instance, the JV produces Indigo, which we don't make standalone.

- **Why not replicate the JV's high-margin products within the standalone business instead of relying on the JV structure?** There's no strategic benefit in creating inter-company competition that would just destroy margins in the market. The stronger we make the JV, the more we benefit, since 60-70% of the JV's raw materials come from us anyway.

- **Does the previously guided INR 20,000-25,000 crore FY28 revenue estimate still hold, given tube and rod plants are commissioning a quarter apart?** That number doesn't hold anymore — it's a dynamically moving target tied to vendor delivery and installation timelines, which keep shifting. We'll keep updating projections each quarter as they become clearer. On the sales side, since India is highly import-dependent for copper, selling output as import substitution isn't expected to be a challenge.

- **What is the role of the marine jetty given the plant is slightly inland from the port?** A dedicated jetty near the port is important because of our continuous bulk imports of copper concentrate, rock phosphate, and ammonia. Since the port mainly handles containerized cargo, a separate jetty gives us operational cost optimization and dedicated bulk vessel unloading.

- **What's the update on the MCB copper-gold project, and is offtake access secure?** We're already part of the project, though mine development hasn't started yet due to ongoing shareholder disputes that are currently in court. We've structured 70% of the offtake to come to us, and since the matter is sub judice, I wouldn't want to speculate further. We continue to remain a lender, protecting our exposure until things are resolved.

- **Why not fund the Indo Asia project entirely through equity instead of debt, given strong market conditions?** That's a valid option, and we have tested market interest with a recent equity infusion of about INR 230 crores. However, if we execute the project successfully without diluting now, the value creation for shareholders through deferred dilution would be much higher, so we're keeping that as a Plan B for now.

Key Participants:
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- *Amit Mehendale— RoboCapital*
- *Avinash Nahata — Parami Financial Services*
- *Bhavya Aggarwal— Share india*
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- *Rahul Kothari— Grit Equities*