

November 15, 2022

To, BSE Limited 1 st Floor, Rotunda Building, B.S. Marg, Fort, 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
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Dear Sir/Madam,

Sub: Submission of Transcript for Q2-FY23 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-FY23 Earnings Conference Call held on Thursday, November 10, 2022.

The Transcript of Q2-FY23 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

Suresh Gondalia
Company Secretary

Encl: As stated

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Kiri Industries Limited
Q2 and FY23 Earnings Conference Call
November 10, 2022

Moderator: Ladies and gentlemen, good day and welcome to the Q2 FY23 Earnings Conference Call of Kiri Industries Limited. 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 an operator by pressing “*” followed by “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Anuj Sonpal. Thank you and over to you sir.

Anuj Sonpal: Thank you. Good morning everyone and a warm welcome to you all. My name is Anuj Sonpal 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 call for the second quarter of financial year ended 2023.

Before we begin, I would like to mention a short cautionary statement as always. Some of the statements made in today’s earnings conference 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 as well as assumptions made by and information currently available to 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.

Let me now introduce you to the management participating with us in today’s earnings conference call and hand it over to them for opening remarks. We firstly have with us Mr. Manish Kiri, Managing Director; Mr. Jayesh Hirani, Senior Manager of Accounts and Finance; and Mr. Suresh Gondalia, Company Secretary. I now request Mr. Manish Kiri to start with his opening remarks. Thank you and over to you sir.

Manish Kiri: Good afternoon everybody and welcome to the earnings conference call for the second quarter of financial year 2023. I hope you are all keeping safe and well. During Q2 FY23, the industry experienced very sluggish demand driven by geopolitical tensions due to Russia Ukraine war for more than 34 weeks. Additionally, China recently announced new COVID Zero measures were in 28 cities are implementing varying degrees of lockdowns, which may global dies and dies intermediate products more volatile impacting growth of industry. During Q2 FY23 of Kiri

Industries Limited attained consolidated sales revenue of 242 crore lower by 32% year on year basis and EBITDA loss of 7 crores, net loss for Q2 FY23 was 26 crores versus net profit of 12 crores in the same period of last financial year. Coming to the H1 numbers company attained consolidated sales revenue of 519 crores lower by 20% year on year basis and EBITDA loss of 15 crores, net loss for First half of FY23 was 53 crores versus net profit of 19 crores right in the same period of last financial year. During the quarter Kiri attempt standalone sales revenue of 141 crores lower by 47% year on year basis and EBITDA loss of 32 crores against breakeven in the same period last year. The net loss for the quarter was 44 crores as compared to the loss of 7 crores last year. For the half year Kiri earned sales revenue of 312 crores lower by 32% year on year basis and EBITDA loss of 64 crores. Net loss for the first six months was 72 crores. During the quarter the prices of raw materials, gas, fuel, which were increased during the preceding two quarters have not reduced during the current quarter, which has impacted margins of all dyes intermediate units of the industry. The high legal costs also impacted margin during the quarter and half year, the payment cycle has also lengthened and inventory churning has decreased as a result of stagnant demand and unstable raw material prices. The company anticipates a smoothing of liquidity over the next few quarters and return to normalcy for the payable cycle over the next two to three quarters. In the matter of DyStar where Kiri was 37.57%. The Supreme Court of Singapore has given judgment on July 6, 2022 in SIC4. Kiri has prevailed on the issues of Supreme Court with regards to 19% discount for the lack of marketability and quantum of license fees for the wrongful exploitation of the pattern. The Supreme Court had remanded the matter back to Singapore International and commercial court to give an effect to the decisions and to determine the quantum of license fees based on available evidences submitted by both parties and for reversal of DLOM. As per the direction of SICC related submissions from the parties had been completed, and final valuation order is awaited. The judgment was also reserved. In another appeal against cost order of SICC dated 8th December 2021, hearing at Supreme Court of Singapore had been completed on September 16, 2022, and order from the Supreme Court of Singapore is reserved and awaited. In SIC-7 Kiri and DyStar had filed appeal against SICC order with regard to Preferred Supplier status to Kiri. SICC had rejected Kiri's claim related to be treated as preferred supplier against DyStar vide their order dated September 24, 2021. The hearing of appeal at Supreme Court of Singapore had been completed on 22nd September, and order is reserved and awaited. Kiri has been keeping an eye on the world market for the dyes and has been actively taking steps to mitigate challenging market conditions and reduce cash losses. Company is working to ensure that its product mix is optimal in order to boost overall margins, allowing the business to absorb its fixed costs and make a big step forward as we normalize revenues and EBITDA in the upcoming quarters. As I mentioned, operational margins are currently negative, but we expect it to stand positive once the world markets stabilize and the demand increases. With that I would now like to open the floor for any questions. Thank you.

Moderator:

Thank you very much. We take the first question from the line of Brahma Shetty Suresh from Braham Financials. Please go ahead sir.

Brahma Shetty Suresh: Sir actually, the Supreme Court cases September you can expect a complete. But okay, I am not asking about it you can expect any time delay, what is the reason?

Manish Kiri: I think we have been quite actually following up on the on the final number and the final judgement from SICC and then as I mentioned in my speech, all the submissions got completed on August 29 and we were expecting that at least in a month or two the judgment should come from SICC but somehow maybe due to their internal court process, the delay happened and we continue to await. Now it has already been more than two months, actually two and a half months by this time from the submissions which got completed on August 29 so we hope that any day anytime the final judgement has to come from SICC regarding the valuation number, so let's hope that it is announced that from the court on any day.

Brahma Shetty Suresh: Okay. Actually sir it is voluntary not delaying the court. No, it is not.

Manish Kiri: I think it is generalize delay in court, and there is no particular or specific reason for the delay. Neither court gave any further instructions to submit anything more right. So, it was only the general delay that the court is experiencing and we are experiencing for the same. So, there's nothing specific reason that has caused this delay.

Brahma Shetty Suresh: Sir not a legal action, but any take delay of so much time you can take any action or write to the court for delay this issue. Any chances is there any action taken.

Manish Kiri: We may write to the court? Is that what you are asking?

Brahma Shetty Suresh: Yes sir.

Manish Kiri: See based on the protocol, now the legal councils of Kiri or the legal counsels of Senda once the judgment is reserved, there is no system to follow up. Okay. So, we just need to wait and keep patience till the judgment comes. There is no process of filing anything to follow up on the judgments which are already reserved. So, I think we have no choice but to keep patience and it is actually testing your patience, our patience, everybody's patience. There is no procedure to write to the court once the judgment is reserved.

Brahma Shetty Suresh: Actually your legal panel is there in Kiri, but your panel what time expected, at any day or any time. You are also waiting.

Manish Kiri: Any day everybody's waiting any day.

Brahma Shetty Suresh: Sir actually okay DyStar is okay. But in the stand alone Kiri will give a turnaround performance how much time takes it? It is the only depend on Kiri continue loss making in standalone without DyStar. After DyStar court judgment is completed, you can get the money after standalone Kiri financially turnaround how much time take, you can take any steps to individually standalone you can grow.

Manish Kiri: Very correct questions actually and even before the DyStar funds come stand alone has to turn around and stand alone has been impacted due to several reasons, market dynamics is one reason, our continuing heavy legal expenses is second reason and third reason is high volatility in the prices of input raw materials correct. So, these are broadly speaking three reasons impacting our financials, but we are working continuously to improve and hopefully in the next quarter or two, you will see a turnaround because we are rationalizing lot of products we may discontinue certain products temporarily we may change certain products temporarily. We may you know reduce our cost in terms of employees which is happening as we speak. So, we are trying to make certain changes to reduce the losses and to break even as soon as possible even before it has nothing to do with the DyStar proceed funds this this we have to do anyway and if you look at the consolidated EBITDA as I mentioned in last quarter also because the raw materials go to Lonsen Kiri and then and then the group company sells to the customers which is consolidated into Kiri and if you look at that level EBITDA data loss is 7 crore. So, we will shortly bridge and next quarter you will see that it is not there. We are working on it right now. So, we would do it even before that.

Brahma Shetty Suresh: Before judgment

Manish Kiri: Before the DyStar fund comes.

Brahma Shetty Suresh: Sir actually after DyStar amount received. DyStar you are not depended on any Kiri products in DyStar business tie up after.

Manish Kiri: Kiri is not selling any products to DyStar as on today also.

Brahma Shetty Suresh: Sir any legal actions further?

Manish Kiri: No legal actions further, no cases further. I think once this judgment is out there is no pending legal actions or there is no any other actions related to minority operation and buyout. There is no further legal proceedings left, nothing now. It is only to realize funds. This is the only legal action which will take place going forward. It is pertaining to enforcing the order.

Brahma Shetty Suresh: Sir one small doubt it is not a company issue but generally I can talk to market. So many investors in Kiri in social media rumor Kiri is some play with Dystar case or FPI is already they have taken Rs. 10 rupees Rs. 20 rupees share you can sold it. Any mutual fund is not interested to take investment in Kiri just is it a social media rumor, but you cannot misunderstand just I am asking as an investor what is that issue? Sir, you can just clarify your side. Please do not misunderstand, please give reply.

Manish Kiri: Such kind of social media rumors are non-factual; they are false and it has nothing to do with the facts. Okay, so, these are not only incorrect, these are baseless and nothing related to that actually. Okay.

Brahma Shetty Suresh: Sir you can also eagerly waiting, please best wishes to receive as early as.

Manish Kiri: We are also eagerly waiting. Thank you.

Brahma Shetty Suresh: Can expect much time sir any day anytime. Again, at least November month ending will complete. Chances is there.

Moderator: Mr. Suresh I am sorry to interrupt may we request you to return to the question queue as we have other participats.

Brahma Shetty Suresh: done here. Okay. Thank you, Madame. Thank you. Thank you.

Moderator: We take the next question from the line of Mr. V.P. Rajesh from Banyan Capital Advisors. Please go ahead, sir.

VP Rajesh: Thanks for the opportunity and Manishji just clarifying your comments on the Singapore case, you are saying that the DLOM and patent issues will be sorted out anytime is that correct and then there are a couple of other court cases which are also pending.

Manish Kiri: Now for the valuation related judgment, which Supreme Court ordered in our favor and overturn on two points, as you rightly said, DLOM and the patent license fee, so that judgment would come at any day anytime right now till from SICC giving effect to the Supreme Court's decision. Now, that's the main judgment. Besides that there were two other cases which got concluded again in the Supreme Court in appeal, one was related to the legal cost, if you look at the previous judgments, there was a legal cost related judgment of S\$8.11 million plus interest and the other party Senda went to appeal against that, and that hearing also got concluded in September judgment is reserved and awaited right now, there was a third side case. So these are side cases, there was a third side case which again went also to appeal from Kiri side, where there was a side case Kiri filed against DyStar about not treating Kiri as a preferred supplier and defaulting the shareholder agreement. So that was earlier two years ago ordered against Kiri and that was dismissed, and Kiri went to appeal against the order in the Supreme Court that side case also got completed in September and the judgment is now reserved and awaited. So even side cases are completed in Supreme Court now.

VP Rajesh: I understand. I think in the last one concall. You said that because of the DLOM, ruling coming in our favor, we should get approximately \$600 million dollar from Senda, that is correct or that figure has changed.,

Manish Kiri: That is correct. So DLOM number is very clear in the in the court's documents, DLOM is very clear in the earlier judgment. Even if you read the judgment of June 2021, you will see that the DLOM number and that would be completely reversed. So, there is no debate on DLOM, the only number which SICC had to decide was the patent license fee number and the submission

which got completed on August 29 was only pertaining to the patent license fee and nothing else and that number was having a range from 1 million which was awarded earlier and overturned by Supreme Court and another number from Kiri side was 40 million. So now it is up to the court to divide and pick any number between 1 and 40 and whichever number that pick right it would be more than 600.

VP Rajesh: So 600 million is just for the valuation of our stake plus the patent fee that could come anywhere between 1 million to 40 million.

Manish Kiri: Yes, yes. So whatever number is up to the judges to decide and that will be the number in addition to 600.

VP Rajesh: Understood. Okay and then on the business front, you have been slowly ramping up your plans on the specialty chemicals pipes any update on that front.

Manish Kiri: Yes, see, we unfortunately, we try to add several products we try to even first phase of our specialty intermediates are already operational, somehow we entered into a phase where market has not been supporting and that we see on the result fronts and I think the ultimate dependency on textile is affecting by chain effect on the demand side, just to give you some numbers, usually India exports every month reactive dyes to the tune of 18000 to 20,000 ton and last four months, the numbers indicate only 10,000 to 10,500. So, we are running at 50% demand and that is affecting our fixed costs per unit and that is what we are trying to address on immediate basis currently. So, even though our facilities are operational, even though we have certain products, which could be now adding more margin to us, but due to market slackness and the price issue, we are not able to get through, but let's hope that things change in the next quarter or two.

VP Rajesh: So is the expectation that your profitability has now bottomed out at least on the EBITDA level and at the console level in Q3 and Q4. We should see positive EBITDA numbers.

Manish Kiri: Absolutely, you will see the now we are bottoming out and you will see the change which will be happening at EBITDA level on console level as well as standalone. Again please take in mind that even in this quarter also and the earlier quarters our running legal expenses are ranging somewhere between 14 crore to 18 Crore right. So, when you add that on console basis, you will have profit instead of 7 crore loss, but unfortunately those legal expenses would continue. This quarter it would be lower but once we enter into enforcement phase, again, they are going to be there may be slightly lower number but we will see the continuity of legal expenses.

VP Rajesh: So, if you can talk about a little more on this enforcement process, what will it look like? Because once the Supreme Court has given the judgments Senda has to pay up right. So, if you can just give us more color on what do you expect how it will unfold?

Manish Kiri: See the way the process will follow is once the final number is announced and given by SICC there would be a certain time and there is 21 days' notice that we will need to issue the legal for the recovery of the amount. Okay. So that will happen we may directly as soon as the result is out, and Senda is supposed to honor the judgment as early as possible within 21 days and if it is not honored, then we will have to go back to court and then we will have to induct and request court to intervene in the enforcement.

VP Rajesh: I understood. Thank you so much and if I have more questions, I will come back in the queue.

Moderator: Thank you, sir. Ladies and gentleman in order to ensure that the management is able to address a question from all the participants in the conference, please limit your question to two per participants. Should you have a follow up question, we would request you to rejoin the question queue. We take the next question from the line of Yogesh Tiwari from Arihant Capital. Please go ahead. Yogesh Tiwari:

Yogesh Tiwari: So, my first question was basically around China. So what would be our dependency in terms of percentage in imports as well as exports to China?

Manish Kiri: I see currently, exports to China is very-very minimum and it is next to nothing while import dependency on China on certain products are still there to give you an average, at least 20 to 25% of the requirements of raw materials continue to be coming from China being served from China as on today, so that dependency is continuing on certain products. There are areas in which on the finished product sales also we have competition from China and for example, prices of H. Acid today has been drastically reduced in China and some other intermediates also drastically reduced in China and that is putting backward pressure on Indian producers to match those prices and that is how even the global prices due to the competition has gone down to bottom. So, to the extent that those are non-profit making, and certain loss generating price levels have come. Unfortunately, due to lack of demand and excess supply, we have reached to this level.

Yogesh Tiwari: And sir I assumed that the raw material would be coming through sea route. So from which ports, it is like we only operate through Shanghai port or which ports do we operate sir?

Manish Kiri: There are several ports one is Shanghai and then another port where we get a lot of material is Ningbo so it also coming from Ningbo and one more port I think there are Tianjin is also there cyanuric chloride and certain raw materials are coming from the Tianjin. So, there are several ports we import from China, fortunately, freights have come down. So sea freight from China have been reduced and they are almost half compared to the peak levels that we experienced earlier. Certain naphthalene and naphthalene derivatives still China dependency is there and meta phenylenediamine and its derivatives still China dependency is continuing.

Yogesh Tiwari: And also last year and on this the China factor basically. So in October there were news on closing of the ports because COVID and recently, some ports have reopened and the traffic has resumed. So has they reopen like what is the current status as of now?

Manish Kiri: I think so there was a lot of hick ups and disruption when Shanghai was closed, if you remember few months back, right and then certain goods were diverted from other ports, but now it's smoothing out and getting regularize. So, situation is much better now from Chinese port operations compared to what was a month or two back. So yes, it has improved significantly now. Earlier after placing orders, we were estimating at least two and half three months now, we can expect material to come in one month to one and a half months. So it is coming on track actually.

Yogesh Tiwari: Sure, but there is still some delay in the transit.

Manish Kiri: There is some delay and sometimes transit ports cause delays to the extent of 20 days 25 days things like that. So, those transit problems are still continuing.

Yogesh Tiwari: And sir lastly on the raw material front, so there has been price correction in commodities. So, when will we see the benefit of the decline in commodity prices for us?

Manish Kiri: See the major commodity prices, which we depend on are the prices for example, related to caustic soda I mean the caustic prices renewed from Rs. 70 to Rs. 60 but comparatively still much higher. Similarly, prices of sulfur went down to Rs. 8 and then increased back to Rs. 16-17. Soda has reduced from peak of Rs. 46 to 36 to 37 but still continuing to be at higher level. So, those commodity prices which relate to our business are not crashed actually, have been still continuing at relatively high level.

Yogesh Tiwari: Okay so sir this Rs. 8 to 60 sulfur prices and caustic soda this you are comparing between Q2 and current quarter?

Manish Kiri: These are increased from Q2 to the current quarters exactly.

Yogesh Tiwari: Thank you sir. Thank you for answering the question. That is all from my side.

Moderator: Thank you. Ladies and gentlemen, in order to ensure that the management is able to address all the questions from the participants, please limit your question to two per participant. We will take the next question from the line of Mr. Namit Mehta from KC Capital. Please go ahead sir.

Namit Mehta: There are couple of questions Manish sir from my side. First is I know that you have hired a few new people for new projects over the last couple of years. Are these people still in the organization and if yes what are they doing as we wait for the funds.

Manish Kiri: They are still there in the organization. They are still working on several projects analysis. So, they are still there, they are still there and everyone is waiting for the funds to release from Singapore. I think implementation of the next phase of projects will wait and they are working on for example various fronts. So, they are working on environment clearances, for example, they are working on technology evaluations and technology tie ups, they are working on further reducing capital investments on each projects, what can be done so all the paperwork and the clearance work is going on, but not the implementation of the project site.

Namit Mehta: Okay, got it and just one further question in the capital allocation side here. Two parts one any further thought on the dividends/buyback post proceeds, any sense on the quantum that you would like to distribute and then as a corollary to that, more sort of macro level question on capital allocation, where you have historically deployed, a few 100 crore in operational business. Now you are going to get 5000 crore, potentially, through the court award, you have talked about leveling up on that as well. So maybe, 6, 7, 8000 crores. So what sort of gives you the confidence of deploying such large sums of money, when that's not really been the case historically.

Manish Kiri: Right see the part we never had this kind of money historically, right. So, there was never need historically. Historically, we have been in the business of dyes and intermediates and we do not intend to deploy this funds into the current business because it is not required besides 100-200 crore of working capital. There is no further deployment that would be made in dyes and intermediates industry because it is not needed. So, entire chunk of money for future projects would be of a different scale of a different size and it would make sense to have and create as I repeatedly said earlier a different platform for Kiri, so it will be a transformative platform and with that there is no prior experience, but the team which would be deployed. The new management benefits for these projects, which would be hired would have a lot of experience to implement, run and operate this size of businesses. So we, we have aspirations to do that and hence, coming to your first question, we will deploy majority of the funds in projects phase wise, it is not like we will start 3-4 different projects at a time, but we will be slowly meticulously and prudently deploy funds for the larger projects, for the larger size of businesses in future and some portion would again given back to shareholders either dividend or buy back. Now, what could be that quantum again, is not decided yet, but as soon as the number comes out, we will deliberate and definitely the board will decide that number. So I am not able to give you a specific number, but yes, there will be a number to it.

Namit Mehta: And just to sir to understand that a little bit more given the profiles of the new businesses will be pretty different from the existing business, why not sort of return a larger portion to investors and reinvest them through non-listed entities or independent entities, why do that within the frame of Kiri. Given that they are going to be businesses in different industries, not necessarily linked to the core dyes business.

Manish Kiri: Right. So, the way we structure those new investments through new subsidiaries, and the separate value creations can take place, we see the fundamental reason to ramp up and to change the platform of Kiri with this once in a lifetime opportunity is for the benefit of shareholders. We would be entering into the projects that would be giving us much better return, then what the financial securities or others would earn for the company. So, we will do these projects, only if we see the return on investment and return on equity for the shareholders are substantially better than the other options and if we see that the return on equity or return on investment are not high, we may decide otherwise to give back. It all depends on what kind of returns we are able to generate to the shareholders with this chunk of money.

Namit Mehta: Okay sure and then the last question.

Moderator: May we requested to return to the question queue sir, we have many participants waiting for their turn. We take the next question from the line of Mr. Nishant Maheshwari, fellow investors, please go ahead sir.

Nishant Maheshwari: My question is related with the para 260 of the Judgement allowed to Kiri with respect to 481 where the SICC has allowed earlier 12.6 in valuation judgement proposed as per the high push method. So in our mission, what is the value which we have seen from the court with respect to the valuation? Is it in the range of \$40 million? So 591 plus \$40 million is the total value which we seek from the court, I mean \$631 million?

Manish Kiri: So you look at that para in which DOLM specific number is mentioned. Correct. So you add that to 481.

Nishant Maheshwari: DLOM is not disclosed. DLOM is not disclosed, because if we add DLOM it comes to find \$591 billion and when we talk about 488 fees, what is the valuation which we have seek from the court? Right?

Manish Kiri: So our side number in the court was 40 million. Court earlier awarded was 1 million, which Supreme Court has reversed and reverted back to SICC to decide between any number between 1 to 40. So as you rightly said, whatever number judges decide between 1 and 40 based on the existing evidences before the court and whatever number that the court finds appropriate that number will be added to that and that will be the range that is the range between 1 and 40.

Nishant Maheshwari: Correct so 1 and 40 sir what is the role of the company in Mauritius? We have incorporated in 2009 A company called Kiri international Mauritius Limited. So, it was the named as a dependent company in hearing when I checked in SICC site. So, what is the role of this company and what is the present status of the company?

Manish Kiri: That Company was closed in 2012 Okay and it was opened in 2009 to acquire DyStar through Mauritius step down subsidiary of Singapore. So, in 2009 Kiri Holdings Singapore was formed which was then changed to Dystar Global Holding and an original idea was to have a step down subsidiary in Mauritius and then Mauritius acquired DyStar entities in 2010. So, that was the intent it was opened in 2009, but then the Singapore entities acquired DyStar directly from Germany. So, it was not required and then 2012 that entity was closed, but one share was there during that time, and that is the reason that you see that name during the acquisition time appearing in the court documents.

Nishant Maheshwari: So, right now, shares are held with Kiri Industries India or with the subsidiary.

Manish Kiri: Kiri India.

Nishant Maheshwari: Sir what is the cash level of DyStar and the value of associated companies? Are they comfortable in honoring the judgment?

Manish Kiri: Yeah the cash level of DyStar based on our understanding by end of December would be more than 500 million and there are no bank loans in DyStar.

Moderator: So we take the next question from the line of Mr. Purab Shah. Please go ahead, sir

Purab Shah: My question had to do with the project that we are looking at with the new capital that we are expecting. Just wanted to understand is there any reason we are looking at such a wide range of projects instead of concentrating on maybe one or two because unprecedented to see success in so many projects simultaneously under one roof?

Manish Kiri: You are absolutely right, we are looking at number of projects and evaluating number of options. It is not one or two. So, we still not decided which projects we will commence and which project we would select. There is a separate committee the board has formed and that committee will review the projects when time comes and make prudent decision where to invest and which projects to invest in. So we are still at the evaluation side and we are evaluating number of projects. Separate project teams are evaluating the large number of options and not limited to few projects.

Purab Shah: Just following up on that if let's say you like five projects, is there a limit to the number of new ventures we will be looking at like one, two, five how many ever it could be or is it open as of now that how many of projects we like that are feasible that we go ahead.

Manish Kiri: See we are open with which projects and it could not be one or two it should be multiple. So we diversify our risk, but we choose the project which makes the best business sense and which has the best earning potentials for the shareholders.

Purab Shah: And just another question on their balance sheet, the payables. The trade payables keep going up so is there any reason that it is now close to 300 crore that number is increasing quarter on quarter.

Manish Kiri: So, if you if you recall company had an obligation by September end to pay 68 crore. Okay. It was the pre settled debt and that has gone now. So, some of the working capital funds were utilized to pay the pre-settled liabilities and all the ARC loans which have been there in the company since last almost 7-8 years all have been repaid. So, we are from that sense completely out of that debt.

Purab Shah: So next in the coming few quarters they should drastically improve then.

Manish Kiri: It will improve.

Purab Shah: Thank you so much.

Moderator: Thank you. So, we take the next question from the line of Mr. Jay Bhateja from JV investments, please go ahead sir.

Jay Bhateja: Sir my question is related to last quarter only. We have been expecting the judgement and the company's business to improve but somehow we are always getting the same reply that we will improve from next quarter or something or some environment will change, but when can we expect it should be seen results better, when can we see the results are a profitable for the company.

Manish Kiri: See let me put it this way. Currently the market situation and the dynamics of dyes and intermediate industries are uncertain, right. So, when we are hopeful and when we give you a positive outlook, it is based on certain improvement assumptions, but to be honest with you, the markets continue to remain uncertain and as you can see, the entire export of dyes from India is at half level. Correct now, in such a scenario, you can understand that even the textile sector has been doing, slow and not well domestically. So, we hope and we tried to make certain changes internally to improve the numbers and to improve the bottom line. But top line whether we will improve or not, it's still uncertain, right. So, you said very rightly. But unfortunately, from operations side, the reality is uncertain. Now, the second part of your question about the court judgments and as I mentioned before once a judgment is reserved in Singapore courts, there is no specific timeline that it would be announced or given. So, as on today, we have three reserved judgment sitting in Singapore Supreme Court as well as International Commercial Court, but we can only hope that it will come in a reasonable time and based on that hope, we give you a guidance that it should come, but the fact and the reality is it can come maybe today after our call is over or it cannot come even for next one month also, which I have neither idea nor visibility nor our counsels and lawyers have any idea when it will come. Right, but we can only make a statement based on the expectations. Now, if you

look at certain judgments of July onwards or August onwards in international court, they have come. But our judgment has not come. Now, that is the reason that we wish to give you a good news, but somehow the system and the judiciary is testing our patience.

Jay Bhateja: Thank you sir and my second question is, we have a lot of time like to decide what on projects we want and have we shortlisted any 2 or 3 projects or still the companies under survey to shortlist any project.

Manish Kiri: Company will continue to survey in the best interest of the company to continue to survey until we have visibility of the funds. Why anything if we freeze now and after one or two years when the implementation starts, and if the market changes, you should not be retrospectively regretting your decision. So that is a reason that we would continue to evaluate rather than biasing ourselves to one or two projects and then we will make a decision at an appropriate time and as I mentioned there is a separate committee created under the board and which will continue to waste you all the projects that the management evaluate.

Moderator: Thank you very much. We take the next question from the line of Kalpesh Verma, an individual investor. Please go ahead sir.

Kalpesh Verma: Sir last year same quarter earnings call, I asked you when the promoters are going to increase their stake in the company, you mentioned that very soon, already one year has passed so, why the delay whether this price is not favorable for the promoter or what?

Manish Kiri: See it all depends on where the promoters have access to funds Kalpesh bhai right, so, promoters have been very keen even today also to increase stake. But it all depends on how promoters are able to arrange and infuse funds. Correct. So that is where the delay has happened. But again, the intention and the eagerness continue to be increased stake as soon as we can.

Kalpesh Verma: Okay and next one is that during quarter three, quarter four concall in FY21, you said that one Senda goes into the appeal for the SICC order, you will ask the court for part portion of the amount to be transferred to the court, something like that was the narrative what happened on that portion?

Manish Kiri: Sorry, I did not understand your question?

Kalpesh Verma: Means during the SICC order in June 3, 2021, before that you were saying that when Senda goes to the appeal for this main case 483 million which was awarded, you said that you will ask the court for the part portion of the buyout money to be transferred to the court or escrow like that for the guarantee purpose?

Manish Kiri: So see what happened after that, after June 2021, there were two things which happened, one is to go and file an appeal in the Supreme Court and second was to get a stay on the June 2021 order. Correct. And Senda has not been able to have not secured a stay on SICC order of June 2021. So technically, Senda is running in continuous default since June 2021, because not being able to secure a stay. Now Kiri wanted Senda to give some money, put some escrow and without that the stay should not be granted and that never happened. Okay So they will never secure stay and even today they are technically running default for more than one year and three months. Right. Now the appeal was admitted. An appeal admission was a different process and Supreme Court of Singapore did admit the appeal being one of the large and one of the bigger cases running in Singapore High Court and the International Court, but eventually today because they are not able to secure stay Kiri can claim that they have the contempt of court because of not being able to honor for such a long time.

Kalpesh Verma: Okay. So, any assurance has been taken from the Senda that they will make the payment as soon as now the SICC gives the judgment within 21 days.

Manish Kiri: No there is no timeline or there is a statutory recovery timeline of 21 days. So 21 days is a legal general timeline, so that is the practice that we will have to follow.

Kalpesh Verma: So, after that you are sure that you have to go for the enforcement order.

Manish Kiri: Yeah so it can all be in 21 days then we have to start the enforcement process.

Kalpesh Verma: So post enforcement order how much timeline you are expecting within which the payment will be received.

Manish Kiri: Well, that depends on the court how much time court gives them. So the way the process usually follow is the court will take control and then depending on hearing them, court will then decide, what would be the time to be given or not to be given any time? It depends on that.

Moderator: Sorry to interrupt Mr. Kalpesh may we request you to rejoin the question queue sir, we have other participants waiting for their turn. Thank you. We take the next question from the line of Mr. Dharmendra Jakhodia, individual investor please go ahead sir.

Dharmendra Jakhodia: We are investor in your company from like eight to 10 years okay now, the only question arises because the promoter holding is only 27% and if you are expecting such a big amount from Singapore court why don't the promoter start buying from the market so that the investor get the confidence? Any plan on that?

Manish Kiri: Well as I mentioned we are always keen to increase our stake and you will see in future but I cannot commit to you on any timelines number one, number two buying from the market by

promoters also depends on the funds availability with promoters and currently that is not there. So, that is the reason that promoters and promoters are buying from the market of promoters increasing their stake right. It is work in progress and at the appropriate time you will see what happens I cannot give you any specific answer right now, but the only thing I can say is that promoter is extremely keen and very much having interested in investing.

Dharmendra Jakhodia: Because as an investor we should have some confidence because we always see get 12 rupees when the FCCB was converted and there is always a fear that FPI will sold off the entire stake and investor will not get any money out of it.

Manish Kiri: Se it depends on the on the holders right and if they sell they sell, so, it is not the company's control or anybody.

Dharmendra Jakhodia: Agree with you because see our only concern is the promoters

Manish Kiri: Right. So, irrespective of the stake of the promoters.

Moderator: Sorry to interrupt I think we have lost the connection for Mr. Dharmendra. We take the next question from the line of Mr. Rohit, individual investor. Please go ahead sir.

Rohit: Sir recently, there have been a certain investor who has been systematically selling the shares daily, have the management have tried to have a call with them to understand why are they losing faith in the company and are continuously selling the shares?

Manish Kiri: No, there is no discussion there has been no discussion neither the company or the management has approached them and I do not think that is a practice I think whoever wants to buy whoever wants to sell is their own decisions. We do not intend to interfere in that.

Rohit: And sir, can we expect Kiri to be profitable for the financial year 2023 on our consolidated level.

Manish Kiri: Well on consolidated level profitability will be there.

Rohit: Okay.

Manish Kiri: By the end of this year.

Rohit: Okay. Lastly as a general comment as an investor with respect to Kiri is generally as a shareholder investor, any company see a positive movement, even if there is a rumor, the company never happen therefore Kiri India there is rumor, there is 100% surety that Kiri India will receive amount of money within one day or within one year. But still we do not see that positive moment from the shareholders. I do not know what has happened, but I think management should try to understand probably something is missing from management or

there is definitely something missing that even after 100% surety that we are willing to receive such a huge amount shareholder do not see the positivity.

Manish Kiri: I think I can only make assessment what you can make and one of the reasons is the investors and even us also as a management and the company expected since 2015 beginning to guarantee Singapore Court Issue get resolved in two to three years and it has been now 8 years from 2023 beginning onwards we will be entering into a nine year of legal battle correct. Now, this nine years and the extended delays after delays then the one hearing then the COVID and then the appeals and then side cases you see so nine years have tested everyone's patience and then because of that, I think there is a market perception when it would come and when the company will have the next phase of growth in which year when nine years have passed. There is always a negative feeling about it. I think that is what is affecting the share price. If you ask me honestly that is what I can interpret and it is rightfully so. Because but when so the market would naturally think that let us let us believe when the money comes, correct. Now, as on today do I know that the money will come in December? No. Now, do I know that the money will come one year from now? No, I don't know. Correct. Do I know that the Lonsen would honor the judgment or not? I have no visibility, whether they intend to judgement or not. So with all the uncertainties, the market and shareholders perception will be not incorrect. Think that let us see what actual result comes in the end out of nine years legal battle and we ourselves were thinking that well, by 2018, the cases would be over and we will have finality of the judgment and out of this legal mess then 2019-2020 it should definitely happen. The legal counsel say that it is outer limit we should be able to go through the court so 2021 also pass and we are ending now 2022. So see that's where the basically patience we run out. Correct.

Moderator: Sorry to interrupt sir. Mr. Rohit may we request you to rejoin the question queue. Thank you. Reminder to the participants, please limit your question to two per participant. Thank you. We take the next question from the line of Mr. Pramod Kataria, individual investor, please go ahead sir.

Pramod Kataria: I have a question this is a followup question, now as you are saying this court battle has been going on for nine years. I am also an investor in your company since 2014-15. Now everyone is aware. Now it's a fact that the company is going to receive 5000 plus crores, okay. Now stage by stage, SICC then what you call appeals and a lot of things happen the valuations, it took a lot of time. Now it's a fact that no one can deny that the company is going to receive 5000 plus crores.

Manish Kiri: Yes. Absolutely.

Pramod Kataria: Then why no one is interested. If it would have been in some other group like Tata or by that matter any valuation metrics and revaluation would have happened, but no one is interested in Kiri Industry at the moment whether have you not been anything like to improve the

perception or whatever it can it has been done by the promoter group only to give the confidence and a lot of things 2500 crores is the market cap of the company and 5000 crores we are going to receive the amount the book value itself will go about 1100. Right now, the book value that Rs. 496. The book value will be 1100 crores why no one is interested.

Manish Kiri:

I think the same question I have what you have. Correct. So, I have no clue and no idea you know, why the shareholders do not want to put in. I am aware of what is happening and you are also educated well enough you also know that the cases have been completed, supreme court hearings have been completed, numbers are getting crystallized maybe 10-20 million plus minus, but broadly the numbers are there, but still the enough interest has not been generated all this information which you have all in public domain right and repeatedly, whenever we interact with the investors community or the analyst community we have explained again and again and all evidences are there in public domain. So still, if the valuation does not come and our valuations remain undervalue that is only the market can explain as a promoter and the management I wish that the valuation comes same as you after knowing all these things as educated investor how you know, but somehow it is not there, which is reality as on today.

Moderator:

I think we lost his line sir. Ladies and gentleman that was the last question for the day. I would now like to have the conference over to Mr. Anuj Sonpal for closing comments. Please go ahead.

Anuj Sonpal:

Management will make the closing comments. Manish sir all over to you.

Manish Kiri:

I thank all of you for sparing your time and for participating in today's call. I will discuss with you next quarter hopefully better numbers and better results. We will see you next quarter. All the best keep well, thank you very much.

Moderator:

Thank you everyone. On behalf of Research bytes that concludes this conference. Thank you for joining us.