



ಕುದ್ರೆಮುಖ್ ಅಮಿಟೆಡ್

(ಭಾರತ ಸರ್ಕಾರದ ಉದ್ಯಮ)

ನೋಂದಾಯಿತ ಕಾರ್ಯಾಲಯ :
2ನೇ ವಿಭಾಗ, ಕೋರಮಂಗಲ
ಬೆಂಗಳೂರು - 560 034.

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के आई ओ सी एल लिमिटेड

(भारत सरकार का उद्यम)

पंजीकृत कार्यालय :

II ब्लॉक, कोरमंगला,
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KIOCL LIMITED

(A Government of India Enterprise)

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Website : www.kioclltd.in

CIN : L13100KA1976GOI002974

ISO 9001, 14001 ಮತ್ತು
OHSAS 18001 ಸಂಸ್ಥೆ
आई एस ओ 9001, 14001 तथा
ओएचएसएस 18001 कम्पनी
ISO 9001, 14001 &
OHSAS 18001 COMPANY

No. S/BC/1 (18-5)/2024/219

September 27, 2024

National Stock Exchange of India Limited

Scrip Code: KIOCL

Through: NEAPS

BSE Limited

Scrip Code: 540680, Scrip Name: KIOCL

Through: BSE Listing Centre

Metropolitan Stock Exchange of India Limited

Scrip Code: KIOCL

Through: mylisting

Dear Sir/Madam,

Sub: Chairman's Message to Shareholders given at the
48th Annual General Meeting

We enclose herewith a copy of Chairman's Message given to Shareholders at the 48th Annual General Meeting of the Company held today i.e., on September 27th, 2024 at 12:00 Noon.

This is for information and record please.

Thanking You,

Yours faithfully,
For KIOCL Limited,

(K V Balakrishnan Nair)
Company Secretary & Compliance Officer

Encl: As Above

KIOCL

Chairman's Speech at the 48th AGM of KIOCL Limited

Dear Members

I extend a warm welcome to one and all to the 48th AGM of KIOCL Limited.

The Annual Report of the Company for the Financial Year 2023-24 along with Financial Statement and Report of the Board of Directors and Auditors thereon has already been circulated among the members and I am sure you have gone through the same.

The overall outlook of our operating environment continues to be volatile with outliers taking a front seat but positive tendencies can be seen on the horizon. This past year has been marked by significant challenges due to the unprecedented market volatility. The global economic environment has been highly unpredictable, with factors like Ukraine-Russia conflict, causing disruptions in supply chains and weakening global demand that has impacted our performance. The global steel industry faced significant headwinds at the beginning of FY 24. However, as a nation, I am proud to report that we demonstrated resilience and agility. Domestic steel demand bounced back with an impressive 13.6% growth. While energy prices are expected to stabilise, we continue to monitor the impact of geopolitical tensions.

Embracing Growth Opportunities

In the face of external challenges, KIOCL has achieved significant progress toward long-term growth. As a strategy to restart our Blast Furnace Operations with the on-going construction of coke oven plant, we are exploring Joint Venture partnership for manufacturing value added steel product. Additionally, our "Make in India" initiatives to convert imported iron ore or concentrate into exportable pellets align with national priorities strengthen our global market position.

A key milestone for KIOCL this year was the Government of India's approval of a capital outlay of ₹ 882.46 crores for Phase I of the Devadari Iron Ore Mining Project (DIOM) in June 2024. This project is a cornerstone

of our long-term strategy, expected to significantly enhance our raw material access and production capacity.

Financial Performance

The Financial Year 2023-24 was a year of strategic investment for KIOCL. Our revenue from operations reached Rs. 1,854 crores, and we made substantial capital expenditure (capex) investments to propel future growth. While this resulted in a modest loss on the Company's balance sheet, we are confident these investments will yield long term benefits. Turnover increased to Rs 1,904 crores compared to Rs. 1,623 Crores during Financial Year 2023 and we are also concentrating to increase our revenue from the sale of services (O&M Operations and Mineral Exploration Services). This would ensure a well-diversified revenue stream beyond pellet production.

Despite our rigorous efforts and strategic initiatives, external factors have inevitably affected our financial outcomes. While our results this year may not reflect the growth trajectory we have historically aimed for, it is important to recognize that these challenges were largely beyond our control.

Despite the short-term impact on the balance sheet, we are confident that these strategic investments will translate into improved capacity utilisation, production volumes, and profitability in the coming quarters. Our commitment to financial prudence is reflected in our debt-free status. We remain confident in the underlying strength of our business and the long-term potential of our industry. As market conditions stabilize, we expect to recover and return to our growth path

Unlocking New Horizons

We are particularly excited about the recent progress on the Devadari Iron Ore Mine (DIOM) Project. Following the approval for Phase I, we successfully executed the Mining Lease Deed with the Director of Mines and Geology, Government of Karnataka, securing 388 hectares for the project. The Government of Karnataka has issued an order for the diversion of 401.5761 hectares of forest land, for advancing the project.

So far, KIOCL has invested approximately ₹530 crores in the DIOM project, including ₹329.18 crores towards stamp duty, cess, and registration charges for the mining lease. These strategic investments are crucial as we prepare to commence production by 2024-25.

In order to have flexibility in blending of Iron ore Fines from different sources & reduction of moisture in the concentrate to the extent of 9-10% to produce good quality pellets, the company has successfully commissioned Vertical pressure Filter System in the Pellet Plant Unit during the Financial Year 2024 at a total financial outlay of Rs. 158.60 crores.

Pioneering Digital Transformation

At KIOCL, we recognise the transformative power of technology. We are embracing digitalisation across all levels of our operations to streamline processes, improve efficiency, and make data-driven decisions. Our implementation of SAP S/4 HANA has automated manual tasks and integrated critical functions, enabling faster decision-making. Additionally, the File Lifecycle Management (FLM) module promotes a paperless work environment, furthering our commitment to sustainability.

Optimising our Pellet Plant Operations remains a key focus area. Currently operating at 70% capacity, we are implementing strategies to improve this metric. Our dedication to quality, productivity, technology, and environmental stewardship continues to be a hallmark of our operations. As part of this focus, we recently installed a vertical pressure filter to handle low-grade iron ore fines, enhancing capacity utilisation. We are also actively exploring and integrating Industry 4.0 technologies. These advancements hold immense potential to optimise productivity, enhance flexibility, and unlock new levels of profitability.

Upholding Social Responsibility

KIOCL has a long and proud tradition of social responsibility, predating the mandatory CSR Rules of 2014. We believe in giving back to the communities we operate in. This year, we actively participated in initiatives such as Swachh Vidyalaya Abhiyan, promoting cleanliness and sanitation. We also organised tree plantation drives and addressed

pressing issues like hunger, poverty, and malnutrition. Above all, we are dedicated to empowering the next generation through skill development programs.

My gratitude for your support

I would like to express my heartfelt gratitude to our dedicated employees, whose unparalleled dedication and expertise are the backbone of our success. To our valued shareholders, your continued support & trust are invaluable to us as we work to overcome the challenges being faced by the company.

Looking ahead, we at KIOCL are optimistic about the future. With a renewed focus on operational excellence, strategic expansion, and technological innovation, we are confident in our ability to deliver sustained value to our shareholders and stakeholders.

Thank you for your continued trust and support.

Sincerely,

SD/-

Ganti Venkat Kiran

Chairman-cum-Managing Director