KUDREMUKH
ಐಎಸ್‌ಓ 9001, 14001 ಮತ್ತು ಓಹೆಚ್‌ಎಸ್‌ಎಎಸ್ 18001 ಸಂಸ್ಥೆ
आई एस ओ 9001, 14001 तथा ओएचएसएएस 18001 कम्पनी
ISO 9001, 14001 & OHSAS 18001 COMPANY

ಕೆಐಓಸಿಎಲ್ ಲಿಮಿಟೆಡ್
(ಭಾರತ ಸರ್ಕಾರದ ಉದ್ಯಮ)
ನೊಂದಾಯಿತ ಕಾರ್ಯಾಲಯ :
೨ನೇ ವಿಭಾಗ, ಕೋರಮಂಗಲ
ಬೆಂಗಳೂರು - ೫೬೦ ೦೩೪.
ದೂರವಾಣಿ : ೦೮೦-೨೫೫೩೧೪೬೧ ರಿಂದ ೬೬
ಫ್ಯಾಕ್ಸ್ : ೦೮೦-೨೫೫೩೨೧೫೩-೫೯೪೧
ವೆಬ್ ಸೈಟ್ : www.kioclltd.in

के आई ओ सी एल लिमिटेड
(भारत सरकार का उद्यम)
पंजीकृत कार्यालय :
II ब्लाक, कोरमंगला,
बेंगलूर - 560 034.
कार्यालय : 080-25531461 - 66
फेक्स : 080-25532153-5941
वेबसाईट : www.kioclltd.in

KIOCL LIMITED
(A Government of India Enterprise)
Registered Office :
II Block, Koramangala,
Bengaluru - 560 034.
Telephone : 080-25531461 - 66
Fax : 080-25532153-5941
Website : www.kioclltd.in
CIN : L13100KA1976GOI002974

No. S/BC/1 (18-5)/2026/131 September 10, 2026

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: Annual Report for the Financial Year 2025-26

In pursuance to Regulation 34 of SEBI (LODR) Regulations, 2015, we enclose copy of Annual Report of FY 2025-26, inter-alia containing the Notice of 50th AGM of the Company, which is being sent/dispatched to the Shareholders by permitted modes.

The 50th Annual Report of the Company is also hosted on Company's website at www.kioclltd.in.

This is for information and record please.

Thanking You,

Yours faithfully,
For KIOCL Limited,
CLAFTON SIDDHARTH
Digitally signed by CLAFTON SIDDHARTH
Date: 2026.09.10 19:06:41 +05'30'
(Clafton Siddharth)
Company Secretary & Compliance Officer
Email: cs@kioclltd.in

Encl: As Above

KUDREMUKH

KIOCL Limited

A Govt. of India Enterprise

CIN L13100KA1976GOI002974

RESILIENT **TODAY.** READY FOR **TOMORROW.**

50TH ANNUAL REPORT 2025-26

The ability to endure is shaped not only by the challenges an organisation overcomes but by the choices it makes in preparing for what lies ahead. In an industry characterised by shifting market dynamics, evolving customer expectations and changing policy priorities, success belongs to organisations that remain agile, disciplined and forward-looking.

For nearly five decades, KIOCL has evolved alongside India's industrial progress, transforming itself from a pellet manufacturer into a diversified enterprise with capabilities spanning mineral exploration, pellet production, conversion services and project consultancy. This journey has been defined by a willingness to adapt to changing realities, optimise operations and pursue opportunities that reinforce long-term competitiveness.

During the year, we sharpened our focus on improving operational efficiency, expanding our domestic presence, strengthening digital capabilities, advancing resource stewardship and securing the foundations for future growth through strategic initiatives such as the development of the Devadari Iron Ore Mine and value-addition projects. At the same time, investments in our people, governance framework and community initiatives have reinforced the values that underpin our organisation and shape the way we conduct business.

As we mark an important milestone in our journey, we do so with the confidence that comes from experience and the conviction to embrace change. Guided by prudent decision-making, operational excellence and a clear strategic direction, we are building an organisation that is equipped to navigate uncertainty, respond to emerging opportunities and contribute meaningfully to India's expanding steel and mineral ecosystem. With strong foundations in place and a clear vision for the future, we are prepared to shape the next chapter of our growth with purpose, responsibility and confidence.

Contents

Corporate Overview

02 About Us
05 Our Operating Footprint
06 What We Do
08 Chairman's Speech
12 Performance Snapshot
13 Industry Landscape
14 Our Operational Expertise
16 Customer Engagement
18 Digital Transformation
20 Environment
24 Our People
28 Community Engagement
30 Governance
34 Corporate Information

Statutory Reports

35 Board's Report
62 Report on Corporate Social Responsibility
62 Report on Corporate Governance
80 Management Discussion and Analysis Report
90 Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo
94 Annual Report on Corporate Social Responsibility Activities FY 2025-26
97 Business Responsibility and Sustainability Report
133 CEO / CFO Certification
134 Compliance with Code of Conduct
135 Secretarial Audit Report (Form No. MR-3)
139 Corporate Governance Compliance Certificate
140 Certificate of Non-disqualification of Directors

Financial Statements

144 Independent Auditors' Report
159 Comments of C&AG of India
162 Balance Sheet
163 Statement of Profit and Loss
164 Statement of Cash Flow
166 Statement of Changes in Equity
167 Notes to the Financial Statements

Notice

224 Notice of 50th AGM

Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects, and are generally identified by forward-looking words such as 'believe,' 'plan,' 'anticipate,' 'continue,' 'estimate,' 'expect,' 'may,' 'will' or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

To know more about us, please scan the above QR code

About Us

Forging Strength Over Five Decades

KIOCL Limited is a Government of India enterprise and a Schedule 'A' Mini Ratna Company under the administrative control of the Ministry of Steel. Incorporated on 2 April 1976, we complete five decades of operations, marking a journey defined by resilience, technical expertise and an enduring contribution to India's growth journey.

Established as a 100% Export Oriented Unit to mine and beneficiate magnetite ore at Kudremukh in Karnataka, we have steadily evolved into a multi-vertical enterprise with capabilities spanning iron oxide pellet manufacturing, mineral exploration as well as project and operations consultancy.

Today, our business rests on three complementary streams: manufacture and sale of iron oxide pellets for domestic and export markets; conversion and tolling services for other producers; and geoscientific services delivered as a Notified Exploration Agency. At the same time, we are enhancing our core competencies by securing a captive raw material base through the Devadari Iron Ore Mine and expanding our value-added capabilities through the backward and forward integration of our Blast Furnace Unit.

Vision

To emerge as a world class mining company with the highest international standards of quality, productivity, technological and environmental excellence and also as a leader in Beneficiation and Pelletisation Industry in India and establish a global credence.

Mission

- Lasting relations with customers and vendors to ensure smooth supply chain based on trust and mutual benefits
- Business with ethics and integrity
- To thrive to improve the socioeconomic condition in the neighbourhood of Company's production centre
- Continuous learning
- Adaptability to technology and changing global scenario
- Growth, recognition and reward for employees

Objectives

- Growth through expansion and diversification
- Be competitive through cost reduction by change in processes
- To continue to invest in the capacity building of personnel for improving the knowledge, skill and attitude
- Open new vistas of business by creating diversified Business Units
- Explore new markets and segments

Our Values

Integrity

We are sincere, kind, fair and just in all our dealings with everyone

Customer Focused Culture

We continuously strive to provide security and achieve customer satisfaction

Respect

We treat people how we wish to be treated ourselves

Teamwork

We achieve mutual growth by respecting one another's individuality and by sharing knowledge and ideas

Excellence

We continue to make effort for improvement of performance, standards and capability building for sustained long-term success

Ownership Mindset

We take ownership, create understanding and develop solutions by communicating with data and transparency

KIOCL at a Glance

Financial Snapshot

₹607.75 crore

Paid-up Share Capital

₹613.46 crore

Revenue from Operations, FY 2025-26

₹16.57 crore

Profit After Tax, FY 2025-26

Operational Snapshot

1976

Year of Incorporation

3.5 MTPA

Installed Pellet Capacity

2 plants

8 Offices across 5 States

474

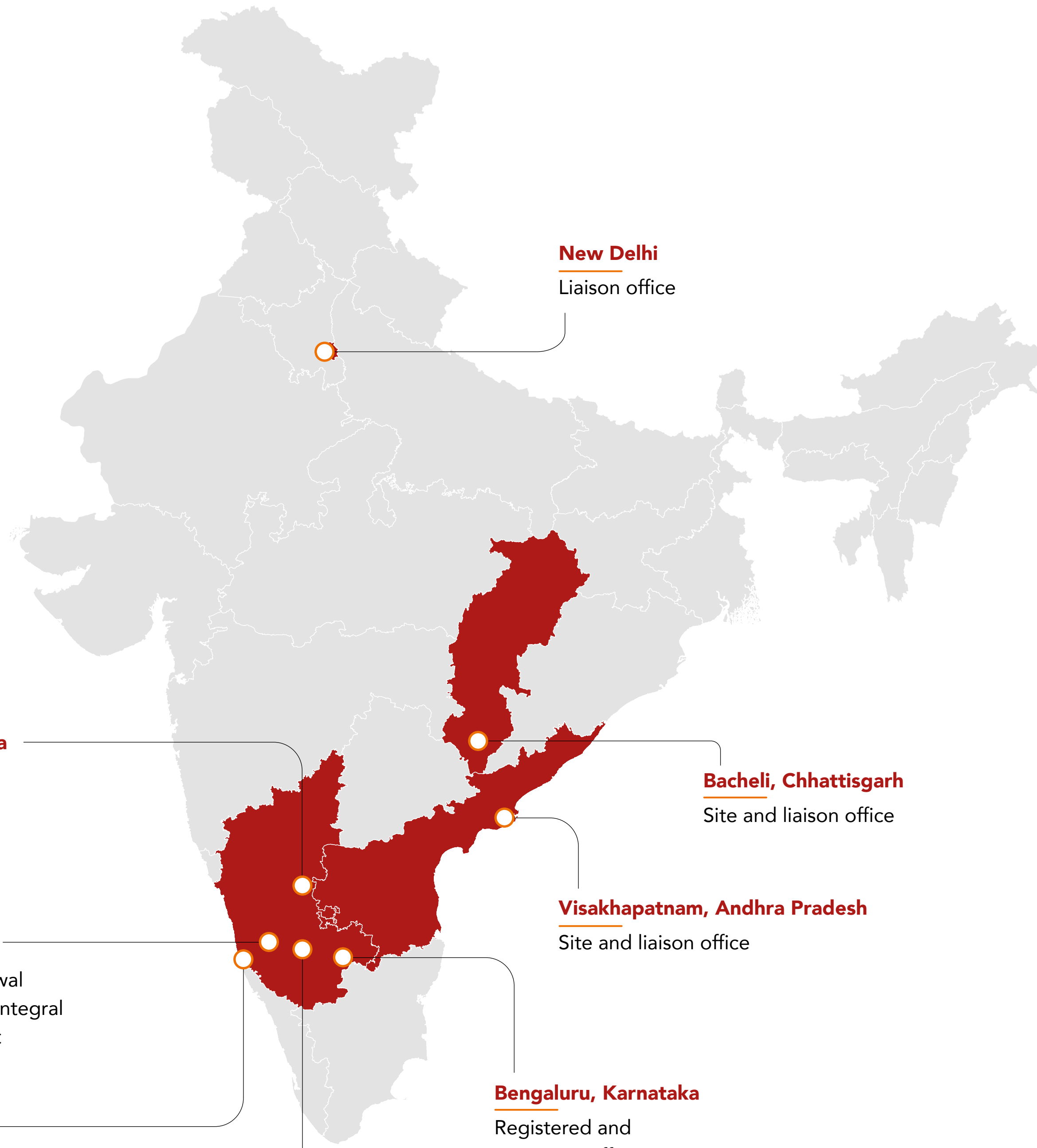
On-roll Employees

36

Mineral Exploration Projects since 2015

Our Operating Footprint

Building a Nationwide Presence



New Delhi
Liaison office

Sandur, Ballari, Karnataka
Devadari Iron Ore Mine – 388-hectare

Bacheli, Chhattisgarh
Site and liaison office

Visakhapatnam, Andhra Pradesh
Site and liaison office

Kudremukh, Karnataka
Lakya Dam and water drawal system, maintained as an integral part of the Mangaluru unit

Bengaluru, Karnataka
Registered and corporate office

Mangaluru, Karnataka
Pellet Plant Unit (3.5 MTPA), Blast Furnace Unit, captive power plant and dedicated port berth

Chikkanayakanahalli, Karnataka
Exploration and site office

Map not to scale, for representation purposes only

What We Do

Delivering across the Value Chain

KIOCL operates across the mineral and metal value chain, combining five decades of technical expertise with an integrated portfolio of products and services. From mineral exploration and beneficiation to pellet manufacturing and project and operations support, our capabilities enable us to serve diverse customer requirements while creating multiple avenues for growth. This balanced business model enhances operational resilience and reduces our dependence on any single product, service or market.

Our products

Iron Ore Pellets

Pig Iron Castings

Our services

Mineral Exploration Services

Operation and Maintenance (O&M) Services

End-user industries

Steel and Metallurgy Industry

Automotive and Transportation

Mining and Mineral Resources

Infrastructure and Construction

Energy and Power

Industry We Serve

Our products and services cater to a diverse range of industries, providing a balanced customer base across different segments of the economy. While demand for iron oxide pellets is closely linked to blast furnace and direct reduced iron production closely, our exploration, conversion and operational services are influenced by government policies and capital investment cycles. This diversification enables us to balance cyclical market movements, broaden our customer base and create a more resilient business with a balanced revenue profile.

- Steel and metallurgy
- Automotive and transportation
- Mining and mineral resources
- Infrastructure and construction
- Energy and power

Chairman's Speech

Chairman-cum-Managing Director's Message

Dear Shareholders,

It gives me immense pride, privilege, and profound pleasure to welcome you all to the 50th Annual General Meeting of your Company and to present the Annual Report along with the Audited Financial Statements of KIOCL Limited for the financial year ended March 31, 2026 (FY2025–26). Reaching the milestone of five decades is a momentous achievement in the lifecycle of any Public Sector Enterprise. This Golden Jubilee year stands not merely as a celebration of our rich industrial legacy and foundational contribution to India's mineral sector, but as an epoch of structural transition, deep operational introspection, and enduring resurgence.

The year under review unfolded amidst an exceptionally volatile and complex global operating environment. The worldwide iron and steel landscape was characterized by persistent demand slowdowns in traditional markets, shifting international trade policies, severe supply chain adjustments, and heightened price fluctuations across iron ore fines and intermediate commodities. Concurrently, domestic producers faced significant headwinds from rising logistics expenses, input cost pressures, and evolving regulatory tariff frameworks.

Despite these formidable external challenges and the operational constraints inherent in our operating model, your Company demonstrated extraordinary resilience, strategic foresight, and unwavering execution discipline. By proactively realigning our business model, optimizing commercial arrangements, maximizing plant efficiencies, and implementing rigorous internal cost-control measures, KIOCL transformed an arduous year into a landmark year of operational turnaround and financial recovery.

Decisive Financial Turnaround & Prudent Capital Management

Your Company returned decisively to profitability during the year under review. KIOCL recorded a Profit After Tax (PAT) of ₹16.57 crore and a Profit Before Tax (PBT) of ₹11.89 crore for FY 2025–26, as against a steep Loss After Tax of ₹204.58 crore in the preceding financial year. Total turnover rose to ₹708.26 crore, compared to ₹640.63 crore in FY 2024–25, with Revenue from Operations reaching ₹613.46 crore.

This turnaround is particularly significant in the context of the difficult operating environment faced by the Company. It reflects the collective efforts of our employees, management and stakeholders and demonstrates that disciplined execution and prudent financial management can create a strong foundation for sustainable growth.

> We pioneered combined single-tender procurement for IOF and IOP shipments with multiple laycans between Gangavaram Port and New Mangalore Port, yielding substantial freight savings of ₹19.44 lakh per IOF shipment and ₹28.64 lakh per IOP shipment.

This recovery was underpinned by aggressive cost rationalization, dynamic inventory management and prudent treasury operations. Through strict cash flow discipline, our net cash and bank balances improved to ₹825.83 crore as of March 31, 2026, from ₹729.78 crore in the previous year.

The strengthening of the Company's financial position was further reflected in its market capitalization and renewed stakeholder confidence, placing KIOCL securely among India's Top 500 listed companies. This financial turnaround provides a stronger platform for the Company to pursue its strategic priorities, undertake prudent investments and build a resilient foundation for sustainable, profitable and long-term growth.

Commercial Agility: EOU Exit & Historic NMDC Partnership

To navigate shifts in global pellet trade and unlock high-potential domestic markets, KIOCL took the strategic decision to exit from its 100% Export Oriented Unit (EOU) status effective May 7, 2025. This critical structural pivot eliminated legacy export related restrictions and opened extensive domestic business avenues. It allowed NMDC-converted pellets to be supplied directly to RINL's Blast Furnace operations (sales reaching 13.36 lakh MT across 25 shipments) as well as domestic coastal buyers in Gujarat and Tamil Nadu.

Our tolling and conversion arrangement with NMDC Limited emerged as a primary growth engine. We extended the Conversion and Marketing & Sale Agreements through November 28, 2026, while securing substantial volume enhancements: the Iron Ore Fines (IOF) conversion quantum was augmented from 3.30 million WMT to 5.72 million WMT, and the marketing quantum from 3.0 million DMT to 5.20 million DMT. Consequently, KIOCL achieved a record dispatch of 27.71 lakh tonnes of NMDC-converted pellets across 53 shipments—the highest dispatch volume clocked by the Company since the closure of the Kudremukh captive mine in 2006.

Captive Raw Material Security: Devadari Mine Breakthroughs & Statutory Extension

Strengthening KIOCL's captive raw material base is a key priority in our strategy to build a more resilient, competitive and sustainable business., In this context, the progress made on the Devadari Iron Ore Mine in Ballari during FY 2025–26 represents an important milestone for the Company.

The Company has made substantial progress in securing the statutory and forest-related approvals required for advancing the mining project. A significant achievement during the year was the execution and registration of the Forest Lease Agreement covering 388 hectares with the Forest Department, Government of Karnataka, following sustained engagement with the Government of Karnataka and other stakeholders. This has provided an important foundation for advancing the development of the mine.

The Government of India has also extended the statutory timeline for commencement and recording of mineral production and dispatch up to January 1, 2028, recognising the delays associated with obtaining the requisite statutory clearances. This extension provides the Company with the necessary time to complete the remaining approvals and proceed with the implementation of the project in a planned and time-bound manner.

KIOCL is presently working towards securing the remaining statutory permissions, including the re-diversion of the approach road required for access to the mining area. The Company is closely coordinating with the concerned authorities and the Project Monitoring Group to facilitate early resolution of the pending requirements.

Once physical possession of the mining area and the requisite working permissions are secured, KIOCL is well positioned to move rapidly into the execution phase.

The development of Devadari Iron Ore Mine is expected to be a transformative step for KIOCL, strengthening its captive raw material security, reducing dependence on external sources and enhancing the Company's long-term operational resilience and competitiveness.

Long-Term Raw Material Security: Devadari Iron Ore Mine

Ensuring secure, reliable and cost-competitive access to iron ore is fundamental to KIOCL's long-term sustainability, operational resilience and growth. As a pellet producer, the availability of a dependable captive raw material base is strategically important to strengthen our cost structure, improve supply-chain security and enable more consistent utilisation of our production capabilities. Accordingly, securing and developing captive iron ore resources continues to remain a key priority for the Company.

In this context, significant progress was achieved during FY 2025–26 in advancing the Devadari Iron Ore Mine (DIOM) in Ballari. The project represents a strategically important initiative towards establishing a sustainable captive source of iron ore and strengthening KIOCL's raw material security over the long term.

With the necessary clearances and possession in place, KIOCL is fully prepared to transition rapidly from the statutory phase to project execution. The Company has envisaged an accelerated implementation programme covering mine development, establishment of crushing and screening facilities and creation of an efficient railway-based evacuation system.

The development of DIOM is expected to materially strengthen KIOCL's long-term raw material security, reduce exposure to external ore procurement and associated market volatility, and enhance the competitiveness and resilience of our pellet operations. More importantly, it will provide a stronger foundation for sustained capacity utilisation and future growth.

We view DIOM not merely as a mining project, but as a strategic investment in KIOCL's future one that will strengthen our integrated raw material position, support operational efficiency and create a more resilient and competitive business for the years ahead. The Company remains committed to bringing this strategic asset into production at the earliest and maximising its long-term value for all stakeholders.

Modernization, Backward Integration & Supply Chain Efficiencies

To protect operating margins against high raw material and merchant coke costs, your Company made decisive progress on its capital growth plans:

- **Coke Oven Plant (BFU Integration):** Construction of our 1.80 LTPA captive Coke Oven Plant at Mangaluru, with an outlay of ₹218.30 crore, achieved 76% physical progress as of March 31, 2026. The Company also continues to examine viable options for the revival and utilisation of its Blast Furnace Unit (BFU) at Mangaluru, in line with its long-term vision of strengthening backward integration and optimising its existing assets. KIOCL is evaluating various technological and commercial options to ensure that any revival of the BFU is undertaken only when it is technically feasible, commercially sustainable and capable of generating long-term value for the Company.
- **Mechanized Coal Handling Infrastructure:** We completed and commissioned the Phase-I 32,000 MT capacity enclosed Coke Storage Shed at Mangaluru to eliminate moisture loss, lower furnace oil usage, and curb particulate run-off.
- **Logistics & Ocean Freight Optimization:** We pioneered combined single-tender procurement for IOF and IOP shipments, with multiple laycans between Gangavaram Port and New Mangalore Port, yielding substantial freight savings of ₹19.44 lakh per IOF shipment and ₹28.64 lakh per IOP shipment.
- **Process Automation:** The newly installed Rotary Auto Sampler at the pellet discharge has eliminated hazardous manual sampling while delivering precise quality monitoring.

Mineral Exploration

Since 2015, KIOCL has successfully diversified beyond iron ore processing into a federally recognized Notified Mineral Exploration Agency (NEA), managing 36 projects and establishing 2,740.36 million tonnes of resources of iron ore, limestone, nickel and graphite. The vertical demonstrates strong technical and commercial viability, placing 18 completed blocks into state auction pipelines and achieving a cumulative core drilling meterage of 11,400.75 meters since 2019.

Aligned with the National Critical Mineral Mission (NCMM 2025) and India's economic growth strategies, KIOCL has recently completed resource estimations for critical mineral (Graphite and Rare Earth Elements (REE) in Tamil Nadu). KIOCL has also expanded into precious metals with a 50 sq. km gold exploration project in Karnataka. Alongside Financially, the division continues to thrive, generating ₹3.49 crores in FY 2025-26 and securing a eight-year cumulative revenue of ₹42.70 crores.

> Your Company returned decisively to profitability during the year under review. KIOCL recorded a Profit After Tax (PAT) of 16.57 crore and a Profit Before Tax (PBT) of 11.89 crore for FY 2025 – 26, as against a steep Loss After Tax of 204.58 crore in the preceding financial year. Total turnover rose to 708.26 crore (compared to 640.63 crore in FY 2024 – 25), with Revenue from Operations reaching 613 .46 crore.

Energy Transition, Decarbonization & Operational Safety

As an environmentally conscious enterprise, KIOCL took transformational strides in green manufacturing and sustainable operations. We are therefore giving greater emphasis to energy efficiency, renewable energy, reduction in emissions, resource optimisation, water conservation, waste utilisation and environmentally responsible operations, as integral elements of our long-term sustainability strategy.
In line with this commitment, we permanently decommissioned our 9.36 MW furnace-oil-based captive generators and enhanced our grid contract demand

with MESCOM from 20 MVA to 30 MVA, enabling the non-captive wheeling of up to 1.10 crore units of clean renewable energy per month, with 4.71 crore units wheeled up to December 2025. In addition, our rooftop and ground-mounted solar installations generated 1.10 crore units of green power. The operation of four Metso Vertical Pressure Filters further improved resource and energy efficiency, reducing specific energy consumption in filtration from 14 units to 10 units per tonne.

These initiatives reflect KIOCL's continued focus on reducing its carbon footprint, improving energy efficiency, optimising resource consumption and progressively transitioning towards cleaner, more sustainable and environmentally responsible operations.

On the safety front, our plants maintained compliance with ISO 45001:2018 standards, clocking 1,000 man-days of safety training for regular personnel and 208 man-days for contract workers.

In recognition of these sustained efforts towards workplace safety and responsible operations, KIOCL Limited was conferred the prestigious IBC Agni Suraksha Puraskar 2026 under the "Distinguished Safety / Zero Accident Award – Organization Category" for the Metallurgy & Mines Sector. This recognition highlights our unwavering commitment to maintaining high standards of safety, strengthening preventive practices and fostering a culture of zero-accident operations.

Our Pellet Plant Unit and Blast Furnace Unit also secured top honours in District-level Safety Quiz competitions during the 54th National Safety Week, reinforcing our commitment to fostering a strong culture of safety, awareness and responsible operations across the organisation.

Digital Transformation, Cyber Resilience & Public Procurement

KIOCL continued to accelerate its journey towards a digitally enabled, agile and technology-driven organisation, with a focus on improving operational efficiency, transparency, responsiveness and institutional resilience. We are working towards greater adoption of data-driven decision making, automation, digital monitoring, predictive maintenance and process optimisation across our operations. Our objective is not merely to adopt technology, but to use it to improve safety, productivity, reliability and cost competitiveness.

Through SAP S/4HANA File Lifecycle Management (FLM), KIOCL successfully transitioned into an automated, paperless e-office ecosystem. A dedicated digital portal was also deployed for the KIOCL Retired Employees Medical Trust (KREMT), seamlessly servicing over 2,000 retired personnel and their spouses.

These initiatives mark an important step towards greater process automation, digital governance and real-time information management, while strengthening transparency, traceability and operational control across the organisation. The Company also remains focused on strengthening cyber resilience and safeguarding its digital ecosystem as the scale and criticality of technology-enabled operations continue to grow.

Our procurement mechanisms continued to champion national small businesses and transparent digital procurement. During the year, MSME procurement reached ₹121.98 crore, constituting 29.28% of total applicable procurement and surpassing the mandated 25% level, while procurement through the Government e-Marketplace (GeM) reached ₹392.37 crore, against a target of ₹175 crore.

Human Capital & Industrial Harmony

Operating with a lean workforce of 532 employees, our personnel displayed remarkable adaptability, taking on cross-functional roles across production, engineering, and logistics. We fortified our talent bench with lateral executive inductions and conducted 2,770 man-days of technical, managerial, and skill-upgradation training. Our Women in Public Sector (WIPS) forum continued to drive meaningful health, wellness, and self-defense initiatives across all segments of our female workforce and contract labour. Industrial relations throughout the year remained exemplary and dispute-free.

Corporate Governance and Responsible Conduct

As a Central Public Sector Enterprise and a listed company, KIOCL attaches the highest importance to transparency, accountability, ethical conduct and sound corporate governance.

We remain committed to complying with applicable laws, regulations and Government guidelines and continuously strengthening our systems, internal controls and risk management framework.

Responsible conduct is not merely a statutory requirement but it is essential to maintaini the trust of our shareholders, employees, customers, business partners and all other stakeholders.

Looking Ahead

Returning to profitability marks the foundation, not the finish line, of our long-term growth agenda. As we step into FY 2026–27, our strategic priorities / joint ventures are unambiguous: accelerate the operationalization of Devadari Mine, complete the commissioning of the Coke Oven Plant, expand critical mineral exploration assets, optimize supply chains, and evaluate strategic Joint Ventures for forward integration.

On behalf of the Board of Directors, I extend our deepest gratitude to the Ministry of Steel, Ministry of Mines, Ministry of Environment, Forest and Climate Change, the Government of India for their continuous support and policy guidance.

I place on record my sincere appreciation to our institutional partners, bankers, valued customers, and suppliers for their trust. Most of all, I express my heartfelt gratitude to our dedicated employees for their tireless commitment, and to our shareholders for their enduring faith and investment in KIOCL's future.

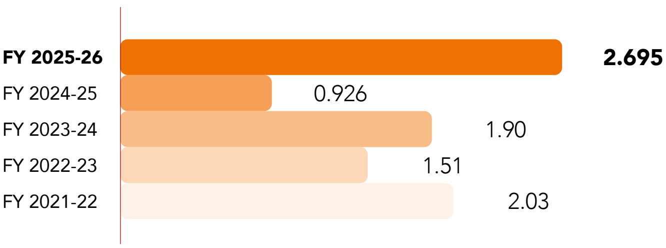
With warm regards

SD/-
Ganti Venkat Kiran
Chairman-cum-Managing Director

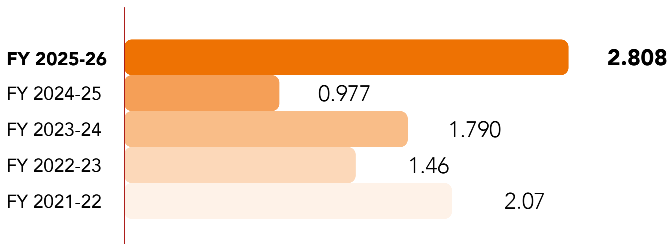
Performance Snapshot

Numbers that Tell Our Story of Perseverance and Progress

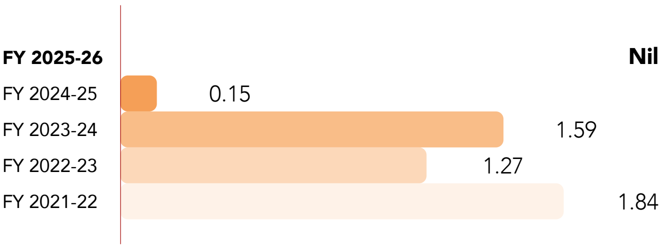
Pellet Production
(Million Metric Tonnes)



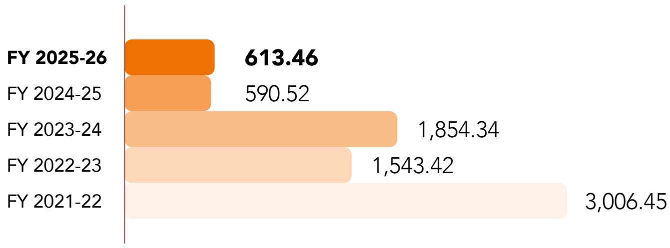
Pellet Dispatch
(Million Metric Tonnes)



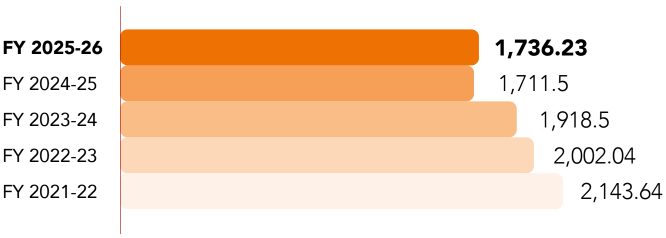
Pellet Exports
(Million Metric Tonnes)



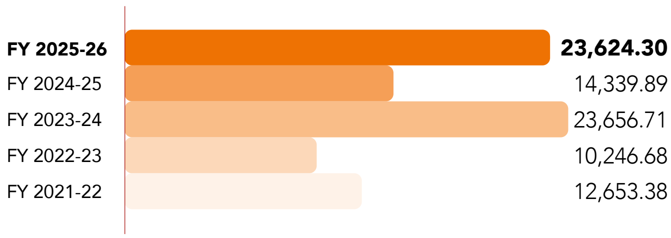
Revenue from Operations
(INR crore)



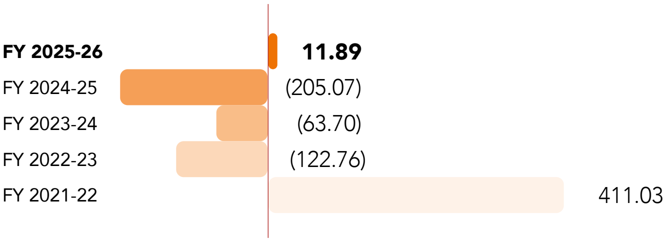
Net Worth
(INR crore)



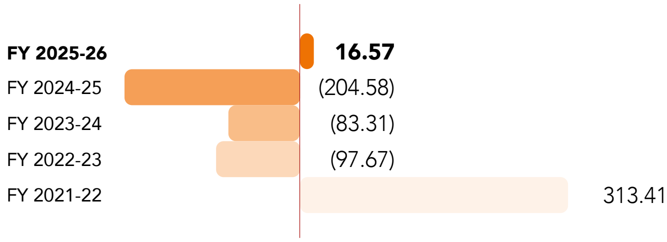
Market Capitalization
(INR crore)



Profit Before tax
(INR crore)



Profit After Tax
(INR crore)



Industry Landscape

The Dynamics that Define Our Business

The industry landscape evolved further during the year, influenced by changing market dynamics, policy developments and shifting demand-supply conditions. These trends shaped the operating environment and reinforced the need for a responsive strategy.

Market Condition	What it Means For Us	Our Response
Pellet has become a discretionary input for Chinese blast furnaces, with sinter and lump ore increasingly preferred	Our principal export market has become structurally smaller, reducing the ability of merchant exports to fully utilise our pellet plant capacity	Redirection of volume to the domestic tariff area and monetisation of plant capacity through conversion and tolling arrangements
Domestic merchant pellet capacity is concentrated near mine heads and consuming centres	Inland freight on iron ore fines remains a structural cost, affecting our competitiveness in the domestic merchant market	Development of the Devadari Iron Ore Block, associated beneficiation capacity and slurry pipeline transport to secure ore at source
Iron ore prices are in a multi-year downtrend, with pellet premiums declining faster than ore prices	Pellet realisations are under pressure as selling prices adjust more quickly than input costs, given the lag between raw material procurement and production	Adopt back-to-back contracting where feasible, optimise raw material blending to lower production costs and expand fee-based revenue streams that are less exposed to commodity price fluctuations
India's steelmaking capacity is targeted to reach 330 million tonnes per annum by 2030	Growing domestic steel production is expected to create sustained demand for high-quality burden materials, provided we remain cost competitive	Maintain plant readiness and product quality, expand our domestic customer base and develop higher-grade pellet products
Trade policies on pellet exports and steel safeguard measures remain subject to change	Export economics can shift significantly within a financial year due to policy changes beyond our control	Diversification of the revenue mix across products, services and geographies to reduce dependence on any single policy or market
The National Critical Mineral Mission has created a policy-driven market for mineral exploration	A demand stream exists for our geoscientific expertise that is independent of steel cycles	Expansion of our mandate as a Notified Exploration Agency across critical minerals, including graphite, rare earth elements, copper and gold

Our Operational Expertise

Optimising Performance at Every Step

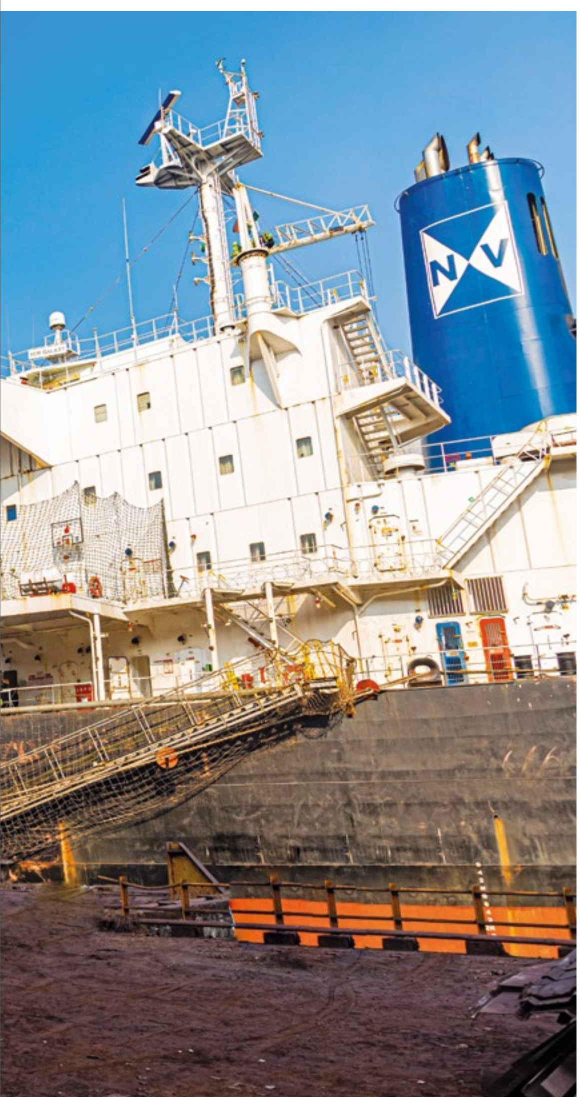
Operational excellence remained a key priority during the year as we focused on improving productivity, enhancing cost competitiveness and maximising the value of our existing assets. Through process optimisation, renewable energy integration, automation and an expanded conversion business model, we improved operational agility, increased asset utilisation and reduced cost pressures, positioning the business to perform more efficiently in a challenging market environment.

Operating Smarter through the Conversion Model

Rather than manufacturing pellets for merchant sales in an unfavourable market, we increased the utilisation of our pellet plant through conversion arrangements with NMDC Limited. The revised agreement expanded the annual conversion capacity from 1.0 MTPA to 3.0 MTPA, enabling higher plant utilisation while significantly reducing our exposure to fluctuations in iron ore and pellet prices.

Outcome

- Higher capacity utilisation
- Stable conversion revenue
- Lower inventory risk
- Improved operational continuity



Improving Process Efficiency

We remained focused on enhancing productivity and resource efficiency across our pellet operations through a series of process improvements. These initiatives reduced energy consumption, improved operational flexibility and enabled more efficient utilisation of raw materials, contributing to lower operating costs and more sustainable manufacturing practices.

Key Achievements

- Vertical Pressure Filters reduced specific energy consumption per tonne
- Wider acceptance of varying iron ore grades
- Improved green pellet consistency
- Recycling of pellet fines into production
- Zero solid process waste generation

Cost Optimisation through Smarter Sourcing

In the absence of captive iron ore resources, procurement efficiency is as critical as manufacturing excellence.

During the year, we have strengthened raw material optimisation through

- Long-term sourcing from NMDC
- E-auction procurement
- Tolling arrangements
- Ore blending enabled by Vertical Pressure Filters
- Back-to-back procurement wherever feasible

Backwards and Forward integration projects

Our integration programme, approved at a total outlay of ₹836.90 crore, is designed to improve cost competitiveness while expanding our value-added product portfolio. The programme comprises a captive coke oven and pulverised coal injection system to reduce input cost, together with a ductile iron spun pipe plant that will enable us to transition from commodity pig iron to higher-value products serving well-defined end markets.

Among these initiatives, the coke oven plant has recorded the most significant progress. The project is being executed by M/s Tuaman Engineering Limited with indigenous technology from CSIR–CIMFR, Dhanbad under the Atmanirbhar Bharat initiative and had achieved 76% physical progress as on 31 March 2026.

Progress across the remaining project packages has been comparatively slower. Contracts for the ductile iron spun pipe plant, the co-generation power plant, blast furnace upgradation and the associated gas plants could not be concluded on the terms tendered, resulting in the re-tendering process being placed on hold. Similarly, the tender for establishing a 15 MW coke oven gas-based power plant on a build-own-operate-transfer model did not receive any bids. We are therefore evaluating a joint venture model for these value-added facilities and have engaged M/s PricewaterhouseCoopers to undertake a market assessment and support the partner selection process.

Customer Engagement

Meeting Expectations with Consistency

In a changing market environment, enduring customer relationships are built on trust, reliability and the ability to respond to evolving requirements. As market dynamics shifted during the year, we sharpened our focus on deepening customer engagement, broadening the range of solutions we offer and delivering a consistently dependable experience. This approach has enabled us to reinforce existing partnerships, expand our domestic presence and create differentiated value beyond the products we supply.

Shift towards the Domestic Market

Expanding our domestic customer base has been central to reducing our dependence on export markets. Domestic pellet sales have risen in each of the last four years, reflecting the steady progress we have made in broadening our customer reach. This achievement is particularly significant given the competitive landscape, where merchant pellet producers located near mine heads and steel-producing centres benefit from inherent cost advantages. In this environment, we differentiate ourselves through product quality, consistent supply, technical flexibility and responsive customer service rather than competing on price alone.

What We Offer?

In a market where pellets are largely comparable across suppliers, our ability to deliver consistent quality, operational reliability and technical flexibility sets us apart.

Specification Flexibility

Our Vertical Pressure Filters allow us to process iron ore fines of varying grades and Loss on Ignition, allowing us to develop customised pellet grades by optimising ore blends to meet specific metallurgical requirements rather than offering a single standard product.

Consistency of Size and Quality

Quality is monitored at every stage of production to ensure consistency across every shipment. Green pellet quality and size uniformity are supported by 7.5 metre pelletisation discs and double-decker roller screens. During the year, the installation of a Rotary Auto Sampler at the fired pellet conveyor discharge replaced manual sampling with representative, unbiased sampling, further enhancing quality assurance.

Dispatch Reliability

Our strategically shore-based location at Mangaluru provides access to a dedicated berth with mechanical ship loading and integrated storage infrastructure, reducing vessel waiting time and minimising material spillage. Our status as an Authorised Economic Operator and an Export Oriented Unit facilitates efficient customs clearance for export consignments.

How We Address Customer Feedback

Customer complaints received by our Marketing Department through email or written communication are managed through a defined sequence under our Integrated Management System, ensuring timely resolution thorough investigation and effective corrective action.

Receipt
Complaint recorded by the Marketing Department

Corrective Action Request
Raised on the department responsible for the process concerned

Root cause analysis
Investigation to establish cause rather than symptom

Closure
Findings communicated to the customer

Key Initiatives

1. Company executed the FLA with DCF, Ballari on 04.10.2025 for DIOM and registered the same at the Sub-Registrar Office, Sandur on 10.10.2025.

2. Ministry of Mines, GOI vide order dated 27.11.2025 extended the timeline up to 01.01.2028 for commencement and recording of mineral production and dispatch from DIOM under Section 20A of the MMDR Act, 1957. Further, Department of Mines and Geology, Government of Karnataka, vide letter dated 12.03.2026, informed KIOCL that the provisions of Section 4A(4) of the MMDR Act, 1957 stand relaxed up to 01.01.2028 in respect of the Devadari Iron Ore Mining Lease.

3. Strategic Entry into Critical Minerals & Gold Exploration: Expanded into critical mineral exploration under the National Critical Mineral Mission (NCMM), completing projects for Graphite (Arasanur block) and Rare Earth Elements (Samalpatti block) in Tamil Nadu, and initiated G4-level exploration for Gold across 50 sq. km in the Yadiyuru Block, Mandya.

4. Exit from 100% EOU Scheme: Exited Export Oriented Unit (EOU) status effective May 7, 2025, enabling NMDC to sell converted pellets domestically to RINL (13.36 lakh MT across 25 shipments) and to domestic coastal customers.

5. Transition to SAP SRM Portal for Pellet Sales: Shifted pellet sales tendering from MSTC to the in-house SAP SRM Portal w.e.f. April 1, 2024, facilitating smoother customer participation and prompt resolution of customer grievances.

6. Logistics Optimization via Multiple Laycan Tendering: Introduced combined single tenders for both Iron Ore Fines (IOF) and Iron Ore Pellet (IOP) shipments with multiple laycans, generating ocean freight savings of ₹19.44 Lakh per IOF shipment and ₹28.64 Lakh per IOP shipment.

Digital Transformation

Building a Connected, Intelligent, Efficient Enterprise

Digital transformation is enabling us to build a more connected, agile and efficient organisation. During the year, we advanced this journey by embedding SAP across key business functions, digitising critical processes and strengthening our digital infrastructure. These initiatives have streamlined operations, enhanced governance and created a robust technology platform that supports faster decision-making, improved collaboration and greater operational transparency.

The implementation of our SAP enterprise resource planning (ERP) system was completed across human resources, finance and materials management, establishing a unified platform for our core business functions. During the year, we expanded its application by digitising workflows, approvals, payments, procurement and employee services, integrating with external stakeholder platforms and progressing the conversion of legacy paper records into digital formats.

The true value of digital transformation lies in its ability to simplify processes, strengthen governance and improve decision-making. The initiatives outlined below reflect the progress made in embedding technology into our day-to-day operations and enhancing the way we work.

Phase I

Document digitisation completed at the Kudremukh and Mangaluru units

Our Focus Area

Our digital ecosystem is built on four interconnected layers, each addressing a distinct aspect of operational excellence while collectively supporting a more secure, integrated and data-driven organisation.

Layer	What It Comprises	Progress During the Year
Network and infrastructure	Managed L2 and L3 core switches, optical fibre and copper cabling, network management server with Active Directory and AAA software	Continued operation of the revamped network, with centralised traffic management and monitoring supporting troubleshooting and maintenance
Enterprise systems	SAP S/4HANA covering finance, materials management and human resources, with the File Lifecycle Management e-office module and the SRM procurement and sales portal	File Lifecycle Management adopted as the e-office platform for online file movement; sale tenders migrated to the SRM portal
Security and resilience	Next-generation firewall, endpoint detection and response, periodic IT audit and vulnerability assessment, employee awareness programmes	Endpoint protection extended to include detection and response capability; vulnerability testing conducted through a CERT-In empanelled agency
Plant-floor digitalisation	Automated sampling, equipment-level energy metering, condition monitoring and vision-based process systems	Rotary Auto Sampler installed; fifty digital energy meters commissioned; two in-house artificial intelligence systems under implementation

On to the Next

Building on the progress achieved during the year, our next phase of digital transformation will focus on deepening enterprise-wide integration, expanding intelligent automation and enhancing the use of real-time data to improve operational performance and decision-making.

- Complete Phase 2 of document digitisation at the Corporate Office, establishing a single centralised repository accessible through the e-office platform
- Commission the two vision-based artificial intelligence systems and identify additional opportunities for their deployment across operational processes
- Extend the reach of the SAP environment into asset management, supply chain integration and project monitoring, building on the modules already implemented
- Develop real-time operational dashboards using equipment-level metering data to support faster decisions, data-driven decision-making across the organisation

Environment

Operating Responsibly for a Greener Tomorrow

At KIOCL, environmental stewardship is embedded in the way we operate, guiding our efforts to use natural resources responsibly while minimising our environmental footprint. Our approach is centred on improving resource efficiency, advancing circularity and adopting cleaner operating practices across the business. By integrating these principles into our day-to-day operations, we are enhancing environmental performance, conserving critical resources and supporting responsible industrial growth.

Zero

Liquid discharge from the Pellet Plant Unit

100%

Treated process water recycled back into the process

7.5 million

Saplings planted in and around the mine area at Kudremukh

9.36 MW

Furnace oil-based captive generation discontinued during the year

Our approach focuses on three priorities

Maximising circular use of resources

Transitioning towards cleaner sources of energy

Controlling emissions at source.

Water Circularity

Water conservation remains a key focus of our environmental strategy, with emphasis on maximising recovery, reuse and responsible consumption across our operations. The Pellet Plant Unit maintains Zero Liquid Discharge (ZLD), with all process wastewater being completely treated and recycled back into operations. Treated sewage water is reused for operational requirements, the Blast Furnace Unit, green belt development and housekeeping. In addition, stormwater and wet scrubber effluents are recovered and reused within the production process, reducing reliance on freshwater and improving overall water use efficiency.

Outcome

- Complete recycling of process wastewater
- Lower freshwater requirement
- No liquid process discharge

Material Circularity

We maximise resource efficiency by recovering and reusing materials across our operations. Pellet fines are reground and reintroduced into the production process, while iron-bearing materials recovered from clarifiers and filtration systems are reused for productive use. Dust collected through pollution control systems is also recycled back into the manufacturing process, reducing material losses. Beyond production, organic waste generated within the plant premises is composted, while paper and plastic waste are segregated and channelled for recycling.

Outcome

- Recovery of valuable iron units
- No solid process waste from pellet production
- Improved resource efficiency

Energy Recovery

We boost energy efficiency by recovering and utilising blast furnace gas generated during the production process. Instead of being released into the atmosphere, the gas is cleaned and reused for captive power generation and the preheating of process air, improving resource utilisation while lowering energy consumption and emissions.

Outcome

- Productive utilisation of process gas
- Reduced atmospheric emissions
- Lower dependence on purchased power

Advancing Our Energy Transition

A major environmental milestone during FY 2025-26 was the discontinuation of the 9.36 MW furnace oil-based captive power generation for pellet production. Operations were transitioned to grid power through an enhanced 30 MVA contract demand, creating the flexibility to progressively integrate renewable electricity into the energy mix.

Our renewable energy portfolio continued to contribute meaningfully during the year. Solar installations across the Blast Furnace Unit, Pellet Plant Captive Power Plant and Katrikehal generated 1.10 crore units of electricity. This was complemented by the procurement of wind power, further increasing the share of renewable energy and supporting the gradual decarbonisation of our operations.

Managing Emissions at Source

Environmental controls are integrated across our facilities to minimise emissions, dust and noise. Process emissions are controlled through wet scrubbers, multi-cyclones and bag filters, with recovered dust recycled back into production. Fugitive dust is controlled through extensive sprinkler systems and concretised haul roads, while the commissioning of a covered coke storage shed has reduced dust dispersion, minimised material losses during the monsoon and improved fuel efficiency by lowering coke moisture levels.

Noise generated from diesel generator sets is effectively managed through acoustic enclosures installed across operating locations.

32,000 tonne

Commissioning of Covered coke storage shed

Compliance, Resource Stewardship and Biodiversity

Responsible environmental stewardship extends beyond operational performance to regulatory compliance, responsible resource management and ecosystem conservation. Hazardous waste is segregated, stored and disposed of through authorised agencies in accordance with statutory requirements, while used oil, lead-acid batteries, electronic waste and biomedical waste are channelled through approved disposal and recycling channels.

Biodiversity conservation continues to remain an integral part of our environmental approach. Approximately 7.5 million saplings have been planted in and around the former Kudremukh mining area, complemented by plantation drives undertaken across the Mangaluru plant and surrounding communities. Following the closure of mining operations, process water is supplied from Lakya Dam through gravity flow, eliminating the need for continuous pumping and reducing associated energy consumption.

Did You Know?

Our environmental management systems remain certified to ISO 14001, and during FY 2025-26, we recorded no instances of environmental non-compliance, penalties or regulatory actions under applicable environmental legislation.

Our People

Investing in Our Greatest Strength

The expertise, commitment and adaptability of our people underpin KIOCL's ability to operate efficiently and respond to a changing business environment. As our workforce evolves, we remain focused on preserving institutional knowledge, developing future-ready capabilities and fostering an inclusive workplace where employees can grow, contribute and thrive. Through structured learning, succession planning and employee wellbeing initiatives, we are building a resilient organisation equipped to meet future opportunities with confidence.

1221

Training man-days

100%

Performance and career reviews

Nil

POSH complaints

62

Superannuation

Workforce Transition

As an experienced workforce approaches retirement, preserving critical knowledge and ensuring leadership continuity have become strategic priorities. During the year, we advanced succession planning, expanded multi-skilling initiatives and strengthened structured knowledge-sharing practices to facilitate a smooth transfer of expertise across the organisation.

Key Highlights

- Focus on multi-skilling and structured knowledge transfer
- Continued engagement of apprentices and trainees to strengthen the future talent pipeline

Workforce Composition

Our workforce comprises executives, supervisors and non-executives deployed across multiple operational locations, supported by a skilled contract workforce. Together, they contribute to the efficient execution of our operations while upholding the Company's values of safety, collaboration and accountability. We remain committed to providing an inclusive workplace supported by comprehensive welfare, health and safety initiatives for all categories of personnel.

Learning and Capability Development

Building a skilled and adaptable workforce remains central to sustaining operational excellence. Our learning and development initiatives are designed to enhance technical expertise, reinforce a strong safety culture and broaden functional capabilities across the organisation. Through a combination of structured training and practical learning, employees are equipped to respond effectively to evolving operational and business requirements.

1,000 man-days

Safety training (Employees)

208 man-days

Safety training (Contract workers)

Training Focus

- Standard operating procedures
- Plant maintenance
- Emergency response
- First aid and firefighting
- Occupational health and safety
- Environmental awareness
- Vigilance
- Sustainable development
- Productivity improvement
- Multi-skilling initiatives

Building a Safer Workplace

A safe working environment is fundamental to operational excellence at KIOCL. We foster a culture where safety is integrated into everyday operations through competency-based training, preventive risk management and continuous awareness initiatives. By equipping our workforce with the knowledge and skills to identify and mitigate risks, we reinforce safe work practices and promote individual accountability across all operational locations.

During the Year

- 36 contract workmen completed vertigo testing for work-at-height certification
- First aid and CPR training conducted for employees and contractor personnel
- Safety Committee, audits and the three-tier control framework reinforced effective safety governance

Women at KIOCL

We are committed to providing an inclusive workplace where women are empowered to contribute, develop and thrive. During the year, a range of initiatives focused on health, personal safety and overall wellbeing, with participation extended to women engaged through the contract workforce, fostering a supportive and equitable working environment.

Key Initiatives

- Self-defence training
- Yoga sessions
- Health awareness programmes
- Physical and mental wellbeing sessions

Prevention of Sexual Harassment

Respect, dignity and inclusion form the cornerstone of our workplace culture. We maintain a robust framework for the prevention of sexual harassment through clearly defined policies, regular awareness programmes and an accessible grievance redressal mechanism, ensuring a safe and respectful environment for every employee.

Highlights

- POSH Policy aligned with statutory requirements
- Internal Complaints Committees operational at Bengaluru and Mangaluru
- Periodic awareness programmes conducted
- Nil complaints reported during FY 2025-26

Employee Welfare and Industrial Relations

Employee wellbeing and harmonious industrial relations remain integral to maintaining a productive and engaged workforce. We provide comprehensive welfare facilities, encourage constructive dialogue with employee representatives and maintain transparent grievance redressal mechanisms, fostering a collaborative work environment built on mutual trust and respect.

Key Initiatives

- Residential township
- First Aid Centre
- Ambulance services
- Recreation Centre
- Canteen
- Auditorium
- Training facilities

Community Engagement
Extending Our Purpose Beyond Business

Our Corporate Social Responsibility (CSR) initiatives are guided by a commitment to creating meaningful and inclusive social impact. We work closely with communities around our operations to address local priorities through focused interventions in education, healthcare, hygiene and community development. By investing in programmes that promote inclusion, accessibility and opportunity, we strive to improve quality of life and contribute to sustainable community development.

While the Company's formal Corporate Social Responsibility (CSR) financial obligation for FY 2025-26 was Nil in terms of Section 135 of the Companies Act, 2013, our commitment to social stewardship and inclusive growth remains an integral part of our operating ethos. We continue to create positive community impact through extensive ecological restoration—having planted over 7.5 million saplings around Kudremukh and Mangaluru—and by maintaining zero-discharge environmental standards. Furthermore, our social footprint is reinforced through skill development programs for local youth and apprentices, health and wellness initiatives for our contract workforce under the WIPS platform, and public awareness campaigns on safety, energy conservation, and integrity across the communities we serve.

Inauguration of Facility – CSR Project FY 2023-24

During the year, KIOCL handed over one facility created under the CSR project of FY 2023-24 (which was identified as an ongoing project and completed in 2025-26).

PROJECT DETAILS

Creation of Digital Library

Government First Grade College Sandur Taluk, Ballari District

- 20 Desktop Computers
- 20 Computer Tables & Revolving Chairs
- UPS Systems
- Electrical & Painting Works

₹ 12.71 Lakhs

Expenditure

28 April 2026

Date of Handover

In the presence of Deputy Commissioner, Ballari District & CEO, Zilla Panchayat, Ballari along with senior officials of KIOCL

Governance

The Principles that Guide Us

Strong governance forms the foundation of KIOCL's long-term resilience, enabling responsible decision-making, effective oversight and sustained stakeholder confidence. As a Government Company under Section 2(45) of the Companies Act, 2013, is a Schedule 'A' Mini Ratna CPSE under the Ministry of Steel, we uphold the highest standards of accountability, transparency and ethical business conduct. Our governance framework is guided by the Companies Act, 2013, SEBI (LODR) Regulations, 2015, the DPE Guidelines on Corporate Governance and the Articles of Association, with the Board providing strategic direction, overseeing management and safeguarding the interests of all stakeholders.

Chairman and Managing Director

Shri Ganti Venkat Kiran

Functional Director

Shri Binay Krushna Mahapatra

Government Nominee Director

Shri. Gopalakrishnan Ganesan

Independent Directors

Shri. Changdev Sukhadev Kamble

Key Managerial Personnel

Shri Ram Krishna Mishra (CFO)

Shri Clafton Siddharth (CS)

Shri Ganti Venkat Kiran

Shri Ganti Venkat Kiran has been serving as Director (Production and Projects) since May 09, 2023, and was appointed Chairman and Managing Director of the Company by the Ministry of Steel, Government of India, effective June 01, 2024.

A graduate in Mechanical Engineering from the National Institute of Technology, Bhopal, he has held leadership positions at Pro Minerals Pvt. Ltd., Essar Steel Ltd. and BPRL (Stemcor Group), Odisha, before joining KIOCL as General Manager (Projects and Technical Services) in 2019. He brings over three decades of experience in the steel sector, with extensive expertise in pellet plant construction, operations and maintenance, and beneficiation plants.

Shri Ganti Venkat Kiran does not hold any equity shares in the Company and has no inter-se relationship with any Director or Key Managerial Personnel of the Company.

Shri Binay Krushna Mahapatra

Shri Binay Krushna Mahapatra has been serving as Director (Commercial) of the Company since August 30, 2022.

A graduate in Metallurgical Engineering with distinction from the National Institute of Technology, Jamshedpur (1988), he began his career the same year as a Management Trainee (Technical) with RINL and joined NALCO in 2016. He has over three decades of professional experience in the metal and mineral sector, including 27 years in the steel industry and six years in the aluminium industry.

Shri Binay Krushna Mahapatra does not hold any equity shares in the Company and has no inter-se relationship with any Director or Key Managerial Personnel of the Company. He ceased to be a Director on the Board of KIOCL Limited with effect from May 31, 2026, upon attaining the age of superannuation.

Shri. Gopalakrishnan Ganesan

Shri Gopalakrishnan Ganesan is currently serving as Director in the Ministry of Steel, Government of India. An officer of the Indian Railway Accounts Service (2010 batch), he holds a degree in Manufacturing Engineering from the College of Engineering, Guindy (2007), and a Post Graduate Diploma in Public Policy from IIM Bangalore.

With over 13 years of experience in government service, he has worked extensively in financial appraisal, budgeting and procurement across the Indian Railways and the steel sector. At the Ministry of Steel, he has played a key role in major policy initiatives, including the Production Linked Incentive (PLI) Scheme for Specialty Steel, the National Steel Policy and the implementation of the Make in India initiative in the steel sector. His experience also spans steel trade, taxation, Union Budget matters and raw material policy. He was appointed as Govt. Nominee Director on the Board of KIOCL w.e.f June 11, 2026.

Shri Gopalakrishnan Ganesan does not hold any equity shares in the Company and has no inter-se relationship with any Director or Key Managerial Personnel of the Company.

Shri. Changdev Sukhadev Kamble

Shri Changdev Sukhadev Kamble was re-appointed as an Independent Director on the Board of KIOCL Limited with effect from April 15, 2025.

He holds an M.A., M.Phil. and Ph.D. in Marathi from Pune and Solapur Universities, respectively. With more than 30 years of experience in teaching, he is currently serving as Professor of Marathi at Rayat Shikshan Sanstha, Satara.

Shri Changdev Sukhadev Kamble does not hold any equity shares in the Company and has no inter-se relationship with any Director or Key Managerial Personnel of the Company. He ceased to be an Independent Director on the Board of KIOCL Limited with effect from April 15, 2026, following the completion of his one-year re-appointment tenure

Our Policies

Dividend Distribution Policy 2018	Fraud Prevention Policy	Policy on Diversity of Board	Policy on Preservation of Documents	Corporate Communication Policy
CSR Policy	Policy on Material Information	Policy on Related Party Transactions	Policy on Training to Board Members	Terms and Conditions of Appt. of Independent Directors
Disaster Management Plan	Probity and Efficacy	Policy on Risk Management	Policy on Remuneration to Directors, KMP and Other Employees	Archival Policy

Ethics and Integrity Framework

Code of Conduct

A Board-approved Code applicable to Directors and senior management. Annual compliance is affirmed by all Board members and members of senior management.

Whistle Blower Mechanism

Provides Directors and employees with a confidential reporting mechanism supported by safeguards against retaliation.

Insider Trading Controls

A Fair Disclosure Code, Structured Digital Database, quarterly compliance certification and trading window controls are implemented in accordance with SEBI regulations.

Integrity Pact

Applicable to purchase and works contracts above ₹1 crore, supported by Independent External Monitors.

Building a Culture of Preventive Vigilance

Integrity and transparency remain integral to KIOCL's governance framework. During the year, we further reinforced our preventive vigilance practices through systemic improvements, digital governance, transparent procurement practices, contract monitoring, inspections and employee awareness programmes. The Vigilance Department's Quality Management System remains certified to ISO 9001:2015 (valid until 28 January 2028).

Corporate Informations

Listed at

NSE
Exchange Plaza,
C-1, Block G, BKC,
Bandra (E)
Mumbai - 400 051

Scrip Code: KIOCL

BSE
25th Floor, P.J. Towers, Dalal Street,
Fort, Mumbai - 400 001

Scrip Code: 540 680

MSEI
Vibgyor Towers, 4th Floor, Plot
No.C 62, G-Block, BKC, Bandra (E),
Mumbai – 400 098

Scrip Code: KIOCL

Depositories

National Securities Depository Ltd.

Central Depository Services (India) Ltd.

Registrar & transfer agent

M/s Integrated Registry Management
Services Pvt. Ltd.
30, Ramana Residency 4th Cross,
Sampige Road, Malleswaram,
Bengaluru - 560 003
Tel No.: 080 2346 0815 - 818
Fax No.: 080 2346 0819
Email: irg@integratedindia.in

Our bankers

IndusInd Bank

ICICI Bank Ltd.

Canara Bank

State Bank of India

Union Bank of India

Our credit rating agency

Care Ratings Limited

4th Floor, Godrej Coliseum, Somaiya Hospital
Road, Off Eastern Express Highway, Sion
(East), Mumbai – 400 022, India

Our auditors

Statutory auditor

G. Balu Associates LLP

Guna Complex, 4th Floor Annex II
Building No. 443 & 445, Anna Salai
Teynampet, Chennai- 600018

Internal auditor

M/s Rao & Emmar
No. 204 and 205, 2nd Floor,
"Ramanashree Arcade"
Near Trinity Circle, M.G. Road,
Bengaluru - 560 001

Cost auditor

M/s Dhananjay V Joshi & Associates
Cost Accountants
CMA Pride, Plot No. 6, S.
No. 16/6, Erandawana Co-
Op Hsg. Soc., Erandawana,
Vakil Nagar, Erandwane, Pune,
Maharashtra 411004

Secretarial auditor

M/s J K Das & Associates
Plot No.883, Bijan Kanan
Bansdroni, Kolkata-700096

Registered office

KIOCL LIMITED

II Block, Koramangala, Bengaluru - 560 034, Karnataka, India.

Tel No.: 080 2553 1461- 466
Fax: 080 2553 2153 - 5941
Website: www.kioclltd.in
CIN No.: L13100KA1976GOI002974

Board's Report

Dear Shareholders,

The Board of Directors hereby submits the 50th Annual Report on the business and operations of your Company ("the Company" or "KIOCL") and its Audited Financial Statements for the financial year ended March 31, 2026 (FY'26), together with the Auditors' Report and Comments on the Accounts by the Comptroller and Auditor General (CAG) of India.

FINANCIAL RESULTS AND STATE OF COMPANY'S AFFAIRS

(₹ in crores, Except EPS & Book Value)

Particulars	FY 2026	FY 2025
Total Revenue / Turnover	708.26	640.63
Revenue from Operations	613.46	590.52
Other Income	94.80	50.10
Earnings Before Interest and Tax	26.44	(189.81)
Profit / (Loss) Before Tax	11.89	(205.07)
Tax Expense / Saving (including deferred taxes)	(4.68)	0.48
Profit / (Loss) After Tax	16.57	(204.58)
Add: Other Comprehensive Income / (Loss) (Net of Tax)	8.15	-2.42
Total Comprehensive Income/(Loss)	24.72	(204.58)
EPS (Basic & Diluted)	0.27	(3.37)
Average Net Worth	1723.87	1815.00
Average Capital Employed	2029.49	2058.84
Book Value per Share	28.57	28.16
Return (EBDITA) on average Capital Employed (%)	1.30	(7.30)
Return on Average Net Worth (%)	0.96	(11.27)
Capital Expenditure	27.09	27.34
Contribution to Exchequer: -		
Central:	31.76	21.33
State:	1.35	1.62

Revenue

During the Financial year 2025-26, your Company earned a Revenue from Operations of ₹ 613.46 crores as compared to ₹590.52 crores in the previous year. Revenue from export witnessed a downward trend by 90.87 % to ₹ 150.23 crores as compared to the previous Financial Year figure of ₹ 1645.93 crores.

Income from Sale of Services (Mineral Exploration Services & Pellet Manufacturing Services) during the year was ₹ 570.46 crores against ₹105.05 crores of previous year. Other Income comprising of Income from Treasury Operation and other Miscellaneous Income has increased to ₹ 94.79 crores from ₹ 50.10 crores.

Profits / Loss

During the Financial Year, your Company incurred a Profit of ₹ 11.89 crores against a Loss ₹ 205.07 crores in the previous year.

DIVIDEND AND APPROPRIATIONS

Your Company being a CPSE, pays dividend in compliance with DIPAM guidelines issued from time to time by Ministry of Finance and Board approved Dividend Distribution Policy in terms of the Regulation 43A of SEBI (LODR) Regulations, 2015 which is available at weblink https://kioclltd.in/table.php?id=282&lang=EN.

The Board of Directors had not recommended payment of dividend for the year 2025-26 considering the loss incurred by the Company. Further, no amount is transferred to reserves of the Company.

DIVIDEND HISTORY OF LAST 7 YEARS- (Excluding DDT)

Particulars		Rate (%)	Per Share (₹)	Amount (₹ in crs)
2019-20	Final	7.0	0.70	43.54
2020-21	Final	16.4	1.64	99.67
2021-22	Interim	9.8	0.98	59.56
Final		7.9	0.79	48.01
2022-23		0	0	0
2023-24		0	0	0
2024-25		0	0	0
2025-26		0	0	0

Financial Saliency

As on 31-03-2026, the Company had a net cash and Bank Balance of ₹ 825.83 crores as against ₹ 729.78 crores as on 31-03-2025.

Treasury Management / Investment of Surplus Funds

Your Company has a Board approved policy for investment of surplus funds since 06-04-2016. The policy is being reviewed and amended from time to time by the Board in line with DPE Guidelines.

Subsidiaries, Joint Ventures and Associates

During the FY 2025-26, the Company has no Subsidiaries, Joint Ventures and Associates.

Credit Rating

The Credit rating of the Company is covered in the Corporate Governance Report of the Company.

Details of Deposits

The Company has not accepted any deposits during the year.

Short Term Loans

As on 31-03-2026, there were no short-term borrowings outstanding.

Debt Equity Ratio

Debt equity ratio as on 31-03-2026 was Nil.

CAPEX

During the year under review the total CAPEX was ₹ 27.09 crores, which was 19.77% of the Budget Estimate (BE) of ₹ 137 crores against previous years CAPEX of ₹ 27.34 crores.

KIOCL's Stock Exchange Ranking: A Top 500 Listed Company

Your Company had been included amongst the top 500 listed Companies as per Market Capitalization on BSE & NSE and stands at 312 and 311 as on 31-12-2025.

MoU Performance

Ministry of Steel informed the Inter-Ministerial Committee (IMC) that, KIOCL Limited is having either sub-optimal operations or downward trend in Production/Revenue from operations and requested to exempt from MOU mechanism.

KIOCL has not signed the MoU for the FY 2025-26.

Risk Management

Pursuant to the requirement of Regulation 21 of the Listing Regulations, the Company had constituted a Board level Risk Management Committee w.e.f. 26-03-2019 and has a robust Risk Management Policy framework to identify, evaluate and prevent / reduce impacts of the risks on Company's Business. Risk preventive work culture with strength to mitigate / reduce the risks impacts are developed within the organisation to enhance Company's performance. The details of Risk Management Committee and its terms of reference are set out in the Corporate Governance Report. In line with Risk Management Policy, your Company has an established procedure to proactively identify, analyse and mitigate risks.

Implementation of Risk Management Policy

The Company has been continuously assessing its risks to ensure sustained business operations aligned with its long-term objectives. The following are the roles and responsibilities for effective implementation of Risk Management System across the organization: -

Roles	Responsibilities
Chief Risk Officer	Oversees the establishment of Risk Management System. Informs Risk Management Committee and Board for its implementation and its compliance. Ensures providing required resources for mitigating Risk.
Steering Committee	Ensures successful implementation of Risk Management System. Reviews once in three months for continuous improvement and guides the Risk Management Team. Chairman of Steering Committee maintains Company's Risk Register. Based on recommendation by Steering Committee, update the Company's Risk Register once in three months.
Risk Officer	Conducts Risk Awareness Programme, co-ordinate with Steering Committee and HoDs for implementation of Risk Management Policy across the Organization.

Roles	Responsibilities
Risk Owner	Each HoD is the Risk Owner and conducts brain storming session, identifies risks, risk evaluation and indexing, short lists for mitigation, nominates risk champion for each risk, gets the mandate from Functional Director/CMD for the required resources, mitigates, adds or deletes and maintain risk register for the Department with the approval of Unit In-charge or Functional Director as the case may be. Sends a copy of Department Risk Register to Chairman Steering Committee with the status of implementation once in three months.
Risk Champion	Assists concerned HoD in implementation of RMP, responsible for mitigating the identified risk/risks, monitor and review for continuous improvement.

The Company has identified following major risks: -

MARKETING & SALES RISK

Discerption of Risk	Risk Contributing Factors	Risk Treatment Plan
Volatility in Iron Ore & Pellet market	KIOCL is dependent on iron ore sourced from the market with longer lead time as raw material for production of Pellets. Pellet prices and demand in domestic and overseas is highly volatile. Uncertainty in sales volumes & revenue earnings as the market forces determine the price of pellets and its demand. Inventory holding at times of lower sales. KIOCL sells pellets in spot market through E-Tenders and the price accepted is valid for the month for lifting pellets. Iron Ore market being highly volatile, buyers are hesitant in quoting aggressive rates as prices cannot be kept valid for extended period. Internal lead time required for converting IOF into pellets is very high. Due to volatile pellet market, there is huge disparity between production cost of pellets and sale price obtained. High Internal lead time for conversion of Iron Ore	Reduce cost of production by sourcing cheaper raw material and blending. Enter into back-to-back contracts
Changes in Customs Act, Rules, Customs Duty and GST tariff rates	Likely to receive demand notice from Customs / GST	Consultant has been appointed to look after the changes in Customs/ GST Tariff and Acts and provide suggestions to take necessary actions.

OPERATIONAL RISK

Discerption of Risk	Risk Contributing Factors	Risk Treatment Plan
Delay in Development and Commencement of Mining Operations of Devadari Iron ore mine	Delay in Permission to enter Forest Area. Delay in appointment of raising contractor. Unfavourable decision in the WP No. 13311/2021 (PIL).	Resolution of pending issues with Forest Dept. Appointment of consultant for Transaction Advisory Services Defending the WP No.13311/2021. (PIL)
Failure of Steel Structures	Ageing of structures Adverse coastal weather conditions	Periodical inspection of structures and evaluating the stability and safety and taking corrective actions. Structural strengthening/ replacement / painting.

Discerption of Risk	Risk Contributing Factors	Risk Treatment Plan
Fire at Furnace oil storage area	Nature / property of the material Leakage of furnace oil Grass growth surrounding the Furnace Oil tank.	M/s. Poojayya Security & Manpower Services has taken over the charge for providing fire safety services w.e.f. 2nd June 2025
Procurement of Iron Ore	Long Term Agreement validity.	Long Term Agreement with M/s NMDC. Participation in e-auctions, Tolling (Supply and buy back), diversification of sourcing.
Adverse weather conditions and environmental accidents at Lakya Dam, Kudremukh	Weather vagaries, landslides etc	Regular monitoring and maintenance work along with Environment Action Plan. Providing necessary resources to maintenance and monsoon preparatory works.

FINANCIAL RISK

Discerption of Risk	Risk Contributing Factors	Risk Treatment Plan
Cybersecurity and Data Privacy. Entire ERP module is on Cloud.	Data Sensitivity and Volume, Access Control and Authentication weakness, Network and Data Transmission Risks	Strengthen Access Controls, Network Scrutiny, Regular Security Assessments, Data Backup and Recoveries
Sub optimal Investment of PF Corpus Fund	Risk of loss of interest and principal.	Investment Policy / Guidelines, Transparent investment mechanism and third party / expert opinion.

PEOPLE RISK

Discerption of Risk	Risk Contributing Factors	Risk Treatment Plan
Succession Plan	Shortage of Manpower can cause a volatile work environment leaving other employees and their subordinates feeling unmotivated to do their jobs.	Complete Manpower study and rationalisation of manpower

Directors and Officers insurance

The Company has undertaken Directors and Officers Liability insurance ('D and O insurance') Policy for all its directors, including Independent Directors and Officers.

Particulars of Loans, Guarantees or Investments

No loan, guarantee or investment was made under Section 186 of the Companies Act, 2013.

Related Party Transactions (RPTs)

During the period under review, no transactions were entered with Related Parties as defined under the Section 188 of Companies Act, 2013 read with Regulation 34(3) and Para A of Schedule V of the SEBI Regulations, 2015, as such annexure AOC-2 is not furnished.

Further, details of related party transactions entered by the Company, in terms of Ind AS-24 have been disclosed in the notes no. 28.2.4 to the financial statements forming part of Annual Accounts 2025-26. The same were also disclosed to Stock Exchanges on half yearly basis as required under Regulation 23(9) of SEBI (LODR), Regulations, 2015.

The Board approved Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions is available on the Company's Website at https://kioclltd.in/table.php?id=280&lang=EN.

Material Changes and Commitments, if any, affecting Financial Position

There has been no material change or commitment affecting the financial position of the Company from the close of the financial year ended March 31, 2026, till the date of this Report, and no change has occurred in the nature of the Company's business.

Management Discussion and Analysis Report

The Management discussion and analysis report as a part of Director's report is set out in this Annual Report in terms of the provisions of Regulation 34(2)(e) of the SEBI (LODR) Regulations, 2015.

Business Responsibility & Sustainability Report

In accordance with Regulation 34(2)(f) of the SEBI Listing Regulations, the Securities and Exchange Board of India ('SEBI'), in May 2021, introduced new sustainability related reporting requirements to be reported in the specific format of Business Responsibility and Sustainability Report ('BRSR').

SEBI has mandated top 1,000 listed companies, based on market capitalisation, to transition to BRSR from FY 2022-23 onwards. Accordingly, the BRSR of the Company for the financial year 2025–26 forms part of this Annual Report.

BUSINESS AND OPERATIONAL REVIEW

Pellet Plant Unit

Your Company produced 0.926 million tons of Pellets during the year 2025-26 as compared to 1.906 million tons in the previous year and sold 0.977 million tons of Pellets as against 1.790 million tons in the previous year.

Blast Furnace Unit

The Blast Furnace Unit (BFU) remained under suspension due to uneconomic price of Pig Iron and high Coke Price since August 2009. Your Company is in the process of implementing the backward integration of BFU (Coke Oven) to make its operations economically viable.

Capacity Utilization & Sales performance

A snapshot of production target vis-a-vis actual achievement with capacity utilization and sales performance during last five years including current year are depicted at Table 1 & 2.

Table 1: Capacity Utilisation

(Qty. In Million Tons)

Year	MOU Target	Actual Production	capacity utilisation (%)
2025-26	NIL*	2.695	77
2024-25	NIL*	0.926	26
2023-24	NIL*	1.906	54
2022-23	NIL*	1.510	43
2021-22	2.800	2.030	58

(Installed capacity of Pellet Plant is 3.500 million tons / annum).

* The Company was exempted from signing MoU.

Table 2: Sales Performance

(Qty: in Million Tons, Value: ₹ In crores.)

Year	Pellets		Pig Iron		Total	
	Qty	Value	Qty	Value	Qty	Value
2025-26	0.037	37.72	0.001	0.55	0.034	37.77
2024-25	0.997	483.70	0.0001	0.005	37.77	0.4971
2023-24	1.790	1841.80	0.0003	0.39	1.7903	1842.19
2022-23	1.460	1518.02	0.004	4.71	1.464	1522.73
2021-22	2.072	2980.15	0.001	1.15	2.073	2981.30
2020-21	2.311	2343.80	0.003	3.55	2.314	2347.35

(**Note:** Pig Iron includes Auxiliary)

Mineral Exploration Works

Highlights on performance of Mineral Exploration works carried out are:

1. KIOCL as NEA (Notified Exploration Agency)

1.1. Going beyond iron ore processing, we have been serving as a recognized Notified Mineral Exploration Agency (NEA) empowered to conduct exploration projects nationwide since 2015. We partner with the Ministry of Mines, Govt of India for promotional exploration projects and offer contractual exploration services to state governments, public sector companies and private entities. Our team contributes to India's mineral wealth by participating in regional and detailed exploration programmes under the National Mineral Exploration and Development Trust (NMEDT) and state government departments. We focus on identifying areas with high mineral potential (OGP areas) using established geoscientific methods, ensuring a sustainable future for India's mineral resources.

1.2. Since 2015, KIOCL has built a robust track record in mineral exploration, managing 36 projects nationwide (31 completed and 5 ongoing). Our exploration efforts have successfully established 2,740.36 million tonnes of resources across diverse commodities, including Iron Ore, Limestone, Nickel and Graphite.

A testament to our technical accuracy is the auction readiness of our projects: Among the completed blocks, 18 are currently in the auction pipeline (8 completed + 10 under progress) by the Governments of Karnataka and Tamil Nadu.

2. KIOCL's Strategic Expansion into Critical Mineral Exploration

2.1. Ministry of Mines, Govt of India, on 24th Jul 2023 has released a list of 30 critical minerals crucial for its economic growth and development across sectors, such as energy, telecommunications, defence, and more. By producing this list, India is acknowledging the need to mitigate supply chain disruptions that could affect its access to these critical mineral resources.

The National Critical Mineral Mission (NCMM), approved by the Union Cabinet on January 29, 2025 serves as India's comprehensive policy framework to secure self-reliance in minerals essential for clean energy, defense, and high-tech sectors.

2.2. Demonstrating our commitment to the National Critical Mineral Mission, KIOCL has successfully completed two exploration projects (G4/G3 level) in Tamil Nadu recently. These projects involved comprehensive resource estimation for priority minerals, specifically focusing on Graphite at the Arasanur block and Rare Earth Elements (REE) at the Samalpatti block in Tamil Nadu.

Drill core indicating Graphite Gneiss in Arasanuru Graphite Block

Core drilling machines deployed at Arasanuru Graphite Block

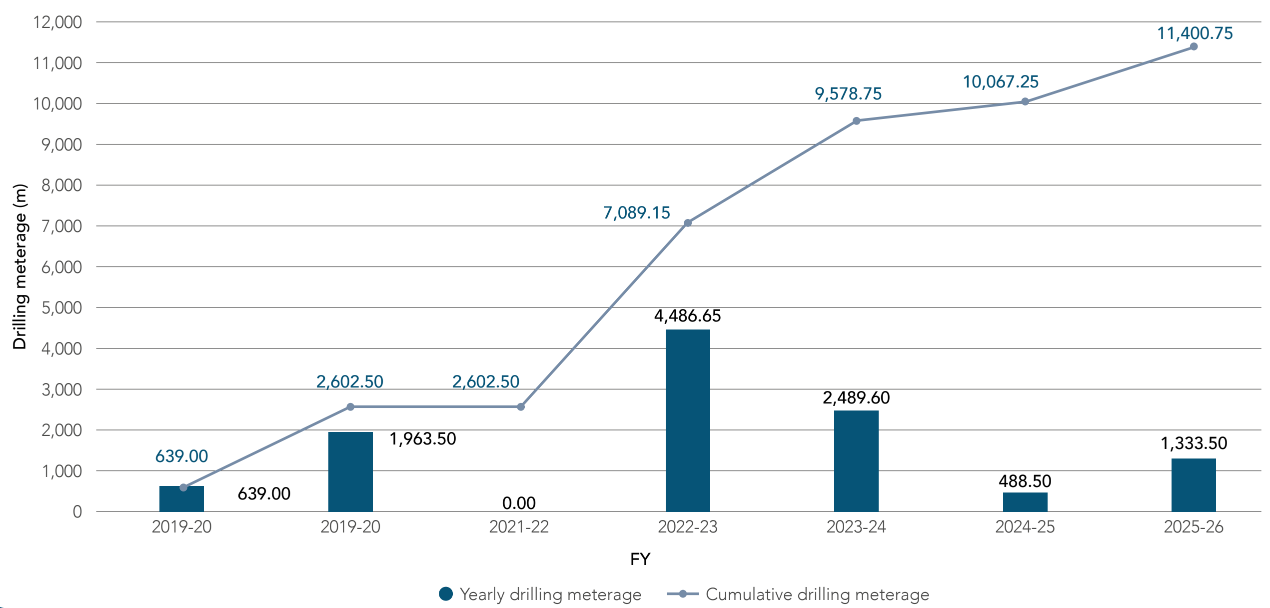
Core drilling machines deployed at Samalpatti Rare Earth Element (REE) block

Drill core indicated TREE value >3,000 PPM

3. KIOCL as GOLD EXPLORER: Recognizing gold's vital role in driving India's GDP and economic stability, KIOCL has strategically entered the precious metals sector. We are currently executing G4-level exploration across 50 sq. km area in the Yadiyuru Block (Mandya District, Karnataka).

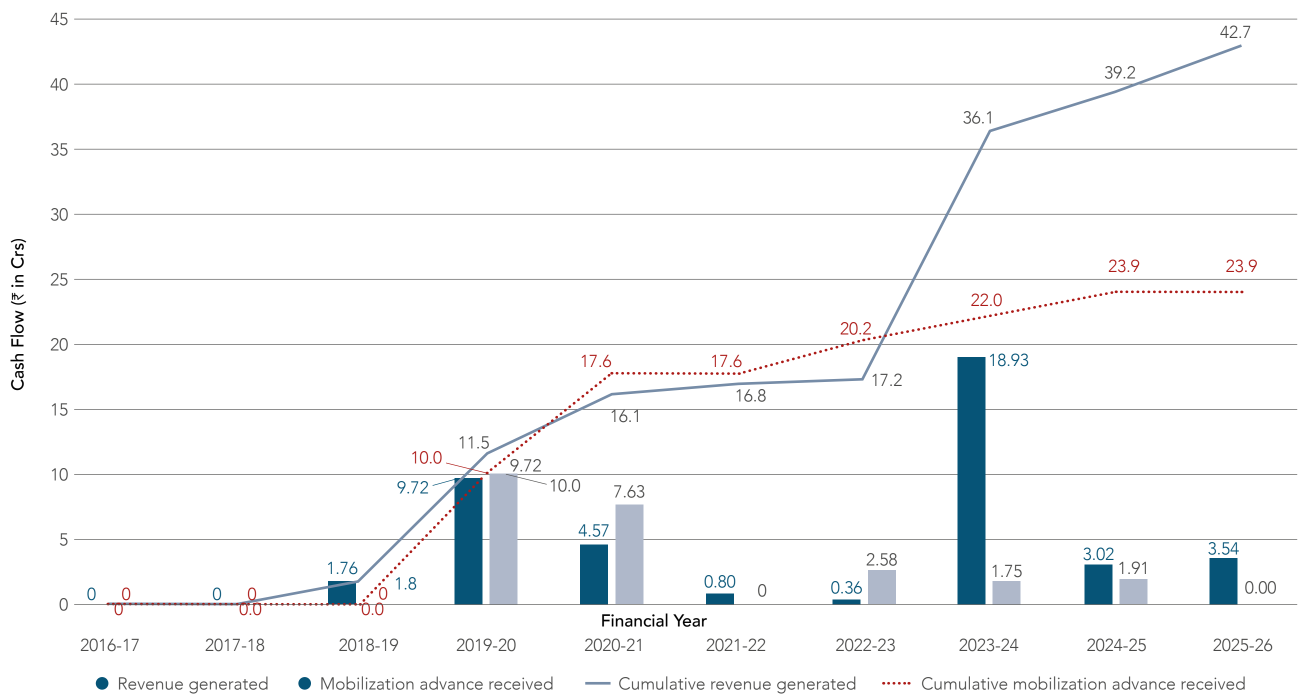
4. KIOCL as NEA completed 1,333.5m of core drilling works during the FY 2025-26 and achieved cumulative drilling meterage of 11,400.75 from 2019 to till date.

Yearwise core drilling meterage achieved



5. KIOCL's mineral exploration vertical continues to demonstrate financial growth and operational viability. For FY 2025-26, the division generated a revenue of ₹3.54 crores (inclusive of GST). This contributes to a robust eight-years cumulative revenue of H42.70 crores (inclusive of GST), reflecting the consistent market demand for our specialized geoscientific services and our proven ability to monetize technical expertise within the mineral sector.

CASH FLOW (₹ in CRS inclusive of GST)



Key Initiatives and Projects

Number of Projects Approved & Value of the Projects

A total of Four (04) major approved projects were under implementation during the financial year 2025-26, with a cumulative project outlay of 1168.34 crores, inclusive of GST.

The projects undertaken during FY 2025-26 are as follows:

1. Devadari Iron Ore Mine at Sandur, Ballari Project cost: Phase -I- ₹ 882.46 crores (inclusive of GST).

Working permission is awaited from Govt of Karnataka.

2. Installation of a Coke Oven Plant -1.80 LTPA— Capital outlay: ₹ 218.30 crores (inclusive of GST), as part of the forward and backward integration projects of the BFU.

Project is still under execution due to contractor's issues.

3. Mechanized Coal Handling System at PPU — Project cost: ₹ 30.78 crores (inclusive of GST).

   Phase-I -Construction of Coke shed is completed and put into use for storing Coal/coke.

   Phase-II- Bulk material handling system : Implementation of this Package has been deferred.

4. Installation of Dual Burner System in the Indurating Machine at PPU — Project cost: ₹ 36.80 crores (inclusive of GST):

   Implementation of this project has been deferred.

EXPANSION OF MARKET BASE

Efforts have been made to expand the customer base to de-risk the business only to a limited extent. During FY 2025-26, a total of 6 new customers were added to the list of empanelled buyers to expand the Customer Base for sale of iron ore pellets, which has helped to de-risk its business by way of reducing the reliance on export market.

CAPEX AND GROWTH PLAN

For long term sustainability / viability of your Company in the competitive market environment and consistent steady growth, your Board had accorded approval for various CAPEX Projects, the status of CAPEX/Growth Plan is given below:

STATUS ON DEVELOPMENT & COMMENCEMENT OF DEVADARI IRON ORE MINE AS ON 31.03.2026

1. Govt. of Karnataka issued notification dated 23.01.2017 for reserving an area of 470.40 ha in Devadari Range, Sandur Taluk, Bellary District for Iron Ore and Manganese Ore mining in favour of KIOCL Ltd., under the provisions of Section 17A (2) of MMDR Act, 1957.

2. KIOCL obtained all statutory clearances and executed Mining Lease Deed of Devadari Iron Ore Mine (ML No. 020 of 2023) with Director, Mines and Geology, Govt. of Karnataka on 02.01.2023 for 388.00 ha area for a period of 50 years for mining of Iron Ore and Manganese Ore. Further same has been registered on 18.01.2023 at the Office of Sub-Registrar, Sandur, Ballari Dist.

3. Govt. of Karnataka issued Government Order on 11.04.2023 for diversion of forest land for Devadari Iron Ore Mine.

4. Thereafter, KIOCL continuously requested the Government of Karnataka to execute the Forest Lease Agreement for the Devadari Iron Ore Mine (DIOM) and to hand over the forest land for commencement of mining operations. However, the Government of Karnataka did not consent to these requests, citing the pendency of regularization of certain issues at Kudremukh National Park pending since erstwhile mining and allied operations at Kudremukh.

5. Company also filed WP No. 34073/2024 on 12.12.2024 in Hon'ble High Court of Karnataka seeking directions to execute the FLA and hand over the diverted forest land for commencement of mining activities.

6. After sustained follow-up, a meeting was held on 12.08.2025 at Vidhana Soudha in the Office of the Additional Chief Secretary to the Hon'ble Chief Minister & ACS (FEE), chaired by the Chief Secretary, Government of Karnataka (through VC), and attended by officials from KIOCL Ltd., Central Government, and State Government. During the meeting, issues related to the Kudremukh Mine and the Forest Lease Agreement for the Devadari Mine were discussed. KIOCL submitted an undertaking dated 12.08.2025 towards regularization of Kudremukh pending forest issues to ACS (FEE), GoK to enable further processing and early execution of the Forest Lease Agreement

7. Hon'ble Court after several court proceedings/hearings, on 10.09.2025 ordered that handover the diverted forest land to the Company and also execute FLA with the Company.

8. Company executed the FLA with DCF, Ballari on 04.10.2025 for DIOM and registered the same at the Sub-Registrar Office, Sandur on 10.10.2025.

9. Ministry of Mines, GOI vide order dated 27.11.2025 extended the timeline up to 01.01.2028 for commencement and recording of mineral production and dispatch from DIOM under Section 20A of the MMDR Act, 1957. Further, Department of Mines and Geology, Government of Karnataka, vide letter dated 12.03.2026, informed KIOCL that the provisions of Section 4A(4) of the MMDR Act, 1957 stand relaxed up to 01.01.2028 in respect of the Devadari Iron Ore Mining Lease.

10. On execution of FLA, KIOCL requested DCF, Ballari for issuing working permission to commence mining activities at DIOM and also for handing over of forest land to KIOCL for mining activities.

11. DCF, Ballari informed that working permission could not be issued due to the pending approval for use of the approach road to the DIOM Mining Lease.

12. KIOCL submitted a fresh re-diversion proposal for M/s KFIL approach road with matching area of 3.862 ha has been submitted through the online Parivesh Portal on 31.10.2025.

13. PCCF (FC) & Nodal Officer on 31.03.2026 recommended the proposal to ACS (FEE), GoK to grant approval to use the 3.862 ha M/s KFIL approach road (diverted forest land) for DIOM.

14. KIOCL is pursuing the matter with Forest Dept., GoK and Govt of Karnataka for getting approval to use the existing approach road and working permission.

15. KIOCL also raised this issue with PMG. The matter of working permission for DIOM & approach road permission was also discussed and deliberated in review meeting of PMG conducted on 11.03.2026.

16. On handover of diverted forest land and issue of working permission, KIOCL will commence mining at DIOM and undertake exploration, mine development, construction of internal roads & waste dump access roads, bench development, Crushing & Screening units, weighbridge, and set up conveyor belt to railway siding for evacuation. It is anticipated that iron ore production from DIOM will commence within one year from the date of handover of forest land to KIOCL for mining operations and issuance of the requisite working permission.

17. Mining Lease Deed executed between Govt. of Karnataka and KIOCL for the grant of mining lease of Iron Ore and Manganese Ore over an extent of 388 ha for a period of 50 years

CMD meeting with Secretary (MSME), C&I Dept, GoK

CMD meeting with ACS(FEE), Gok.

CMD meeting with Hon'ble Forest Minister for Forest, Ecology and environment, GoK

CMD meeting with Chief Secretary, GoK.

CMD meeting with Hon'ble Chief Minister, GoK.

Installation and Commissioning of Coke Oven Plant under Backward Integration Project at BFU, Mangaluru

KIOCL's Board and the Public Investment Board (PIB) have approved the project with a total capital outlay of ₹ 836.90 crores. The Ministry of Environment, Forest and Climate Change (MoEF & CC) granted environmental clearance (EC), and the Karnataka State Pollution Control Board (KSPCB) provided consent for the expansion in June 2021, valid until June 2026. M/s MECON has been appointed as the EPCM consultant for the project. The main technological components include an NRHR-type Coke Oven Plant, a Waste Heat Recovery Power Plant, a Ductile Iron Spun Pipe Plant, a Pulverised Coal Injection (PCI) Plant, Oxygen and Nitrogen Plants. The captive coke oven and PCI system will significantly reduce the raw material costs for Blast Furnace operations.

The agreement for the Coke Oven Plant was signed with M/s Tuaman Engineering Ltd, Kolkata, in November 2021. A Tripartite agreement was also executed among KIOCL, M/s Tuaman Engineering Ltd, and M/s CIMFR, Dhanbad, the technology provider under the Atmanirbhar Bharat Initiative. The total project cost for the Coke Oven Plant is ₹ 218.30 crores, inclusive of GST. Construction of the Coke Oven Plant is currently underway, with a physical progress of 76% as of 31st March 2026.

KIOCL is actively exploring joint venture opportunities for the establishment of value-added plants as part of the forward integration of the Blast Furnace, in accordance with Ministry guidelines. M/s PwC has been engaged as a consultant to assist in the selection of a suitable JV partner.

Mechanized Coal Handling System at PPU, Mangaluru

The mechanized coal/coke handling system was conceived to build a coke shed and material handling system, primarily as an environmental pollution control measure. This project will help reduce the moisture content of coke fines/limestone, minimize the consumption of furnace oil, and prevent washout of coal/coke fines into stormwater drains during monsoon. The construction of the coke shed under Phase-I has been completed, and material procurement for Phase-II is underway. The cost of the project is ₹ 30.78 Crores including GST.

INFORMATION TECHNOLOGY FOR DIGITAL TRANSFORMATION

Networking system

The revamped network with managed L2 and L3 core switches, as well as optical fibre cables (OFC) and copper cables, enabled high-speed and reliable data transmission. This revamped network design lays the foundation for efficient data flow and seamless communication across the organisation. The implemented managed network setup enables centralised management and monitoring of data traffic, facilitating effective troubleshooting and maintenance. With the implementation of an NMS server equipped with Active Directory (AD) and Authentication, Authorisation and Accounting (AAA) software, the company has bolstered its network security and streamlined administrative tasks.

Data and cyber security

With digitalisation on the rise, ensuring the security of data and online services is of utmost importance. KIOCL has deployed bestin-class technologies to protect the confidentiality, integrity and availability of digital assets. Advanced security systems, including the Fortinet Next Generation Firewall and Bit Defender Endpoint Security with EDR (End Point Detection and Response) feature is deployed to safeguard the networks and end-point devices from cyber threats. These systems proactively detect and mitigate potential vulnerabilities, ensuring a robust defence against malicious attacks. Moreover, your company conducts regular IT audits and Vulnerability Assessment and Penetration Testing (VAPT) exercises from Cert-In empanelled agency to identify and address any security gaps promptly. By prioritising data and cyber security, the company instils trust and confidence in the stakeholders, safeguarding sensitive information and mitigating potential risks.

Awareness Session on Cyber Hygiene and Security

An awareness session on Cyber Hygiene and Security was conducted with the objective of sensitizing employees about safe practices in the digital environment by the faculty from M/s. CDAC. The session covered essential topics including password management, phishing awareness, secure browsing habits, software updates, and the importance of multi-factor authentication. The session aimed to build a proactive cybersecurity culture among the workforce, thereby reducing organizational vulnerabilities and ensuring compliance with IT security policies.

Enterprise efficiency through ERP application

SAP application is being used to enhance operational efficiency, data accuracy, and informed decision-making. By integrating core business functions such as finance, materials management and human resources, SAP facilitates streamlined workflows and real-time data access. This comprehensive ERP system supports standardisation of processes and improves resource planning.

As part of the File Lifecycle Management (FLM) system under SAP, KIOCL has been utilizing FLM as an e-office platform for online file movement. File Lifecycle Management (FLM) in SAP S/4HANA provides a centralized and structured system for managing files throughout their lifecycle, enabling a digital workflow where files are electronically created, routed, approved, and tracked across departments. It improves transparency through real-time status tracking, enhances efficiency by automating approvals and reducing manual delays, and maintains a complete audit trail for compliance and accountability. FLM promotes a streamlined, paperless e-office environment and faster, well-informed decision-making.

Further, SAP functions have been integrated with the GeM portal for all Post-order GeM transaction, Bank for Vendor Payments, NIC services for email and SMS alerts, and biometric attendance data of employees.

Portal for retired employees to register in KIOCL Retired Employees Medical Scheme (KREMT)

A portal for retired employees has been developed for Online Registration, Enrolment and Renewal of Medical Insurance. The portal is available in company website with integration to SAP application. More than 2000 retired employees and their spouse have registered through the portal and are covered under KIOCL Retired Employees Medical Scheme.

Digitization of Physical Documents

The digitization of physical documents in KIOCL Limited has been undertaken in a phased manner to ensure systematic implementation and minimal disruption to operations. In Phase 1, the initiative was successfully carried out at the Kudremukh and Mangalore units, where large volumes of legacy physical records were converted into digital formats. Phase 2 extends the digitization process to the Corporate Office at Bangalore, aiming to create a centralized, paperless environment that supports streamlined document management.

HUMAN RESOURCE MANAGEMENT AND INDUSTRIAL RELATIONS

Human Capital

Total number of employees on the rolls of the Company as on March 31, 2026 is 474 consisting of 147 Executives, 37 Supervisors and 290 Non-Executives. Details are given below:

Group	Total No. of Employees	SC	ST	Ex-Servicemen	PWD	No. of women Employees
A	147	35	11	01	4	12
B	37	4	02	--	3	6
C	285	38	24	--	1	1
D&D(S)	5	4	--	--	3	--
Total	**474**	**77**	**37**	**01**	**11**	**19**

Employee Welfare

The Company has setup full-fledged facilities at Mangaluru by establishing a well-planned township, First Aid Centre, Ambulance, Recreation centre, Sports events, Canteen facility, Auditorium, IT infrastructure to conduct various Meetings, Trainings etc. Issues relating to productivity, safety, welfare, etc., are mutually discussed with employee representatives.

Persons with Disabilities Act, 1995

KIOCL ensures compliance under Persons with Disabilities Act, 1995. Suitable provisions/modifications are made in the workplace to meet the requirements of persons with disability.

Human Resource Development

Various training programs including in-house training programs, nominations for external seminars, conferences were carried out to enhance the skill sets of employees During the year, 1221 of man-days of training was imparted to the employees.

Brief on Succession Planning;

In line with Succession Planning policy of the Company, No recruitment for lateral entry was carried out during the year 2025–26.

Details of RTI applications and queries received during the FY 2025-26;

During the period, KIOCL has received 69 RTI applications on various matters and suitable reply was sent within stipulated period of time.

Recruitment & Superannuation:

- 47 employees were superannuated from the Company on attaining the age of superannuation.
- No employees were separated under Voluntary Retirement Scheme during 2025-26.

Industrial Relations

Your Company continued to maintain harmonious industrial relations, co-operation between the elected representative bodies of employees and management.

Prevention of Sexual Harassment of Women at Workplace

At KIOCL Limited, the Anti Sexual Harassment Policy is aligned with the applicable statutory requirements. In accordance with the provisions of the relevant laws, a four-member Internal Complaints Committee (ICC) has been constituted for a tenure of three years with effect from 16.07.2026, after which a new Committee shall be reconstituted. The Committee comprises three internal members, including one male officer, and one external member possessing legal expertise.

The ICC has been constituted to address complaints relating to sexual harassment of women at the workplace, and meetings of the Committee are conducted once every six months.

Further, awareness and sensitization programmes on prevention of sexual harassment at workplace have been conducted for all employees by the external member of the Committee. Such programmes are also conducted periodically for newly recruited employees joining the organization.

KIOCL Limited recognizes gender equality as an essential element of economic and social development and is committed to upholding human rights and ensuring an inclusive workplace. The Company extends equal benefits and opportunities to all employees and contract workers, irrespective of gender.

Internal Complaints Committee (ICC)

Every Employer is obliged to constitute an ICC through a written order.

ICC is composed of the following members:

- **Chairperson:** A woman employee employed at a senior level in the organization; in her absence, a woman employee nominated from any other office/unit/department/workplace of the same employer.
- **Members (Minimum Two):** Employees committed to the cause of women or possessing legal knowledge and/or experience in social work.
- **External Member:** A representative from an NGO/association committed to the cause of women or a person familiar with issues relating to sexual harassment.

During FY 2025-26 there are no complaints under sexual harassment.

The Annual Report under Sexual Harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the year ending 31st Dec 2025 is submitted to the Deputy Commissioner, D.K. at DC office, Dakshina Kannada District, Mangalore-575001.

EMPOWERMENT OF WOMEN

The Women's Forum – Women in Public Sector (WIPS) is actively functioning in KIOCL, and the majority of women employees are members of this Forum. KIOCL is a Life Member of WIPS. Coordinators are nominated from KIOCL on a rotational basis to liaise with WIPS.

Additionally, women employees who are members of the Forum are nominated by the Company to participate in the Annual and Regional Meets organized by WIPS.

With a view to promoting self-actualization and progressing towards equitable power sharing, a reappraisal is sought of the overall development of women, considering the intersection of mutual roles and responsibilities of the two key stakeholders, namely the women themselves and the employee organizations/institutions.

Activities at Mangaluru:

On behalf of the WIPS, following activities were organized:

1. Women's Day Program 2025 at KIOCL Mangalore unit.
2. Sports activity: Walkathon for Female employees at Thannirbhavi road and Games for women.
3. Fitness Rally for Female Employees.
4. Sessions on Diet & Nutrition, Mental Health & Wellness program by a Female Resource person.
5. Self Defence & Yoga Session

Women's Day Program 2025 at KIOCL Mangalore unit

Women's Day program was conducted on March 8th, 2025 at Resource Centre between 10 am to 5 pm. In this program, Mangalore unit Women employees, Officer Trainees, and contract laborers on Contract had been participated. Women's Day is celebrated to recognize and appreciate the achievements, contributions, and roles of women in society and the workplace. It is observed to promote gender equality, raise awareness about women's rights and challenges, and encourage empowerment, respect, and equal opportunities for women in all fields. On this occasion, as a Social Concern, the Lunch Box, water bottles and lunch had been provided to Female workers working on Contract basis at various locations of Mangalore unit.

Sports activity: Walkathon for Female employees at Thannirbhavi road.

KIOCL WIPS organized a walkathon for female employees on March 06, 2025 at Thannirbhavi road, Mangalore. The session was conducted for all the women employees, trainees and female contract labourers. A walkathon is required for women to encourage a healthy and active lifestyle and to create awareness about the importance of regular physical activity for physical and mental well-being. It helps in reducing stress, improving confidence, and promoting overall health among women. The walkathon also aims to bring women together on a common platform, strengthen unity and participation, and promote a sense of empowerment. Through collective involvement, the event seeks to highlight the importance of self-care, fitness, and awareness of women's health and social issues. The session aimed to provide students with essential knowledge on healthy eating practices, equipping them with lifelong health principles.

Sports activity: Games for women

WIPS Mangalore organized the indoor running Games for women as a part of sport activity at Resource Centre, PPU, Mangalore. The session was conducted for all the women employees, trainees and female contract labourers. The aim of encouraging sports activities for women is to empower them, enhance overall health, promote equality in participation, and create awareness about the importance of an active and balanced life. Sports are required for women to promote physical fitness, mental well-being, and a healthy lifestyle. Participation in sports helps in building confidence, reducing stress, and improving teamwork and leadership qualities.

Fitness Rally for Female Employees

WIPS Mangalore organized a Fitness Rally for Female Employees as a part of sports activity on March 07, 2025 at Thannirbhavi road, PPU, Mangalore. The session was conducted for all the women employees, trainees and female contract laborers. A Fitness Rally is required for female employees to encourage a healthy and active lifestyle and to create awareness about the importance of physical fitness and mental well-being. It helps in reducing work-related stress, improving energy levels, and building confidence among female employees. The aim of the Fitness Rally is to motivate women to adopt regular fitness habits, promote unity and participation, and strengthen a positive work culture that supports women's health, empowerment, and overall development.

Sessions on Diet & Nutrition, Mental Health & Wellness program by a Female Resource person.

WIPS Mangalore organized a Session on Diet & Nutrition on March 08, 2025 at Resource Centre, PPU, Mangalore.

The session of Diet & Nutrition is conducted by the MS Sowmya NV. Currently working as dietitian in Father muller medical college hospital, Mangalore and Worked as a fitness nutritionist in zeus fitness center, Mangalore. The session was conducted for all the women employees, trainees and female contract laborers.

Sessions on Diet and Nutrition are required to create awareness among employees about the importance of balanced food habits and healthy nutrition for overall physical and mental well-being. These sessions help participants understand proper dietary practices, prevent lifestyle-related health issues, and improve energy and productivity. The aim of such sessions is to encourage healthy eating habits, promote long-term wellness, and support employees in maintaining a fit and healthy lifestyle.

Sessions on Mental Health & Wellness

WIPS Mangalore organized a Session on Mental Health & Wellness on March 08, 2025 at Resource Centre, PPU, Mangalore. The session is conducted by the Dr. Archana Bhat providing valuable insights into Mental Health & Wellness awareness. The session was conducted for all the women employees, trainees and female contract labourers. Mental Health and Wellness sessions are conducted to promote emotional well-being and psychological resilience among employees. These sessions help in managing stress, improving focus, and maintaining a positive mindset in both personal and professional life. The aim of such sessions is to create awareness about mental health, encourage healthy coping mechanisms, and support a balanced, productive, and healthy work environment.

Self Defence & Yoga Session

WIPS Mangalore organized a Session on Self Defence & Yoga Session on March 05, 2025 at Nehru Bhawan, KIOCL guest house, Mangalore. The Session was conducted by Mrs. Chandrakala from Yoga committee, providing valuable insights into Yoga and Self Defence awareness. The session was conducted for all the women employees. Self Defence and Yoga sessions are conducted to strengthen both the body and the mind while improving personal safety and alertness. These sessions support confidence building, stress management, flexibility, and emotional stability. The objective of organizing Self Defence and Yoga sessions is to equip participants with practical safety techniques, promote inner balance and resilience, and encourage regular practice of wellness activities for a healthier and more secure life.

We celebrate WIPS to recognize the strength, contribution, and commitment of women employees and contract workers in the organization. It provides a platform to encourage equality, confidence, and participation of women in all areas of work. Activities and health-related sessions conducted under WIPS help create awareness about physical fitness, mental well-being, and self-care among female employees. These sessions support women in managing work and personal life in a healthier manner. Health programs also benefit contract employees by improving awareness, reducing stress, and promoting a safe and productive work environment. Overall, WIPS activities contribute to the well-being, empowerment, and morale of women across all sections of the workforce.

The attendees immensely benefited from the session and provided positive feedback.

With such initiatives WIPS Mangalore, stays committed to its vision of empowering women in the Public Sector.

Human Resource Development

Various Training programs including in-house training programs, nominations for external seminars, conferences, participation in training programs organized by DPE etc., were carried out to enhance the skillset of employees.

Remuneration Policy

The Policy of Remuneration to Directors, KMP & other Employees in pursuance to Schedule II Part D (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is available on Company website at weblink https://www.kioclltd.in/table.php?id=282&lang=EN. Your Company is a Government Company within the meaning of Section 2 (45) of the Companies Act, 2013 and being a Central Public Sector Enterprise under Ministry of Steel, the remuneration and other benefits of the employees of the Company are fixed / decided by the Department of Public Enterprises (DPE), Govt. of India.

Remuneration of Whole Time Directors

The salary and/or allowances of the Whole Time Directors are decided by the President of India.

Remuneration of Independent Directors

Independent Directors are appointed by the President of India. The remuneration to Independent Directors is paid by way of sitting fee for attending Board of Directors meeting and Committees meetings thereof. The sitting fee is being paid to Independent Directors within the ceiling limit prescribed under Section 197 (5) read with Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Remuneration of Government Directors

No remuneration either by way of salary / allowances or sitting fee is paid to Government Directors representing Ministry of Steel.

Remuneration of KMPs other than Directors

The Salary / allowances of KMPs other than Directors are paid as per the scale of pay determined based on DPE Guidelines.

Man-days Trainings

During the year 1221 Man-days training was imparted to the employees. Further, the Company in its commitment to good corporate governance, also imparts skill development training to contract workers, apprentices, students from managerial and technical institutes as well as for local population.

Particulars of Employees

Ministry of Corporate Affairs vide its notification dated June 5, 2015 exempted Government Company with the applicability of Section 197 of the Companies Act, 2013. However, the remuneration received by the employees of the Company, had not exceeded the limit prescribed under Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Public/Staff Grievance Redressal

KIOCL Limited has framed a well-defined grievance procedure, evolved under the 'Code of Discipline'. Staff Grievances received are redressed to the satisfaction of the aggrieved. With respect to public grievance, as and when any complaints are received, necessary remedial action is taken promptly. Complaints/ grievances other than the staff grievance are categorized into customer / consumer complaints / grievances from the Contractors, NGOs / General Public etc. The respective project heads are empowered to dispose of the grievances concerning their areas.

CORPORATE GOVERNANCE

Pursuant to Regulation 34(3) and Para-C of SEBI (LODR) Regulations, 2015, a separate section on Corporate Governance along with certificate from Practising Company Secretary confirming the level of compliance is attached and forms a part of the Board's Report.

Directors and Other Key Managerial Personnel

As on financial year ended March 31, 2026, the Board consists of four members, two of whom were executive or whole-time Directors, one non-executive Director, representing Ministry of Steel and one Independent Director. Details of sitting fees / remuneration paid to Directors and to KMP's respectively are provided at table no.15 in Corporate Governance Report.

Declaration by Independent Directors

The Company received necessary declaration from Independent Directors under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the Listing Regulations. The Board of Directors at 298th Meeting held on May 28,2025 noted the declarations. Independent Directors of the Company have registered themselves with Independent Directors databank in compliance with Companies (Creation and Maintenance of database of Independent Directors) Rules, 2019 and Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019.

Women Directors

As on March 31, 2026, the Board of Directors of the Company did not include any woman Director.

CHANGES IN THE COMPOSITION OF THE BOARD

Inductions / Cessations

In terms of Article 91 of the Articles of Association of the Company, the President of India is vested with the power to appoint the Directors of the Company from time to time and shall determine the term of office of such Directos Accordingly, the following appointments/cessations on the Board of your Company were carried out as per the directives of the President of India: -

1. Pursuant to Ministry of Steel's Order No. 1/1/2025-BLA dated 15.04.2025, Shri. Changdev Sukhadev Kamble was reappointed as an Independent Director on the Board of KIOCL Limited w.e.f 15.04.2025

2. Shri Gopalkrishnan Ganesan, Director, Ministry of Steel, was appointed as Government Nominee Director on the Board of Directors of KIOCL Limited vice Vinod Kumar Tripathi by the Ministry of Steel vide its Order No. S-14011/1/2022-BLA dated 11.06.2025. Accordingly, Shri Vinod Kumar Tripathi ceased to be Director on the Board of KIOCL Limited w.e.f 11.06.2025.

3. Pursuant to Ministry of Steel's Order No. 1/1/2025-BLA dated 15.04.2025, Shri. Changdev Sukhadev Kamble who was reappointed as an Independent Director on the Board of KIOCL Limited w.e.f 15.04.2025 ceased to be an Independent Director w.e.f 15.04.2026.

4. Shri Binay Krushna Mahapatra ceased to be the Director (Commercial) on the Board of KIOCL Limited with effect from May 31, 2026, upon attaining the age of superannuation.

5. Ministry of Steel, vide order No. 1/1/2026-BLA dated 14.07.2026, appointed Shri Subhash Chandra Saraf, Shri Avtar Singh and Shri Rakesh Modi as Independent Directors on the Board of the Company with effect from 14.07.2026.

Additional charge assigned to Directors

1. Ministry of Steel, Government of India, vide Order No. S-14015/1/2025-BLA dated 29.05.2026, extended the additional charge of the post of Director (Finance), KIOCL Limited, to Shri G. V. Kiran, Chairman-cum-Managing Director (CMD) of the Company, with effect from 13.05.2026 till the date of his superannuation, i.e. 30.06.2027, or until further orders, whichever is earlier.

2. Ministry of Steel, Government of India, vide the aforesaid Order dated 29.05.2026, entrusted the additional charge of the post of Director (Commercial), KIOCL Limited, to Shri G. V. Kiran, CMD, with effect from 01.06.2026 till the date of his superannuation, i.e. 30.06.2027, or until further orders, whichever is earlier. Accordingly, Shri G. V. Kiran assumed the additional charge of Director (Commercial) with effect from 01.06.2026.

3. Furthermore, Ministry of Steel, vide the aforesaid Order dated 29.05.2026, extended the additional charge of the post of Director (Production & Projects), KIOCL Limited, assigned to Shri Ganti Venkat Kiran, Chairman-cum-Managing Director, with effect from 01.06.2026 till the date of his superannuation, i.e. 30.06.2027, or until further orders, whichever is earlier. Accordingly, Shri Ganti Venkat Kiran assumed the additional charge of the post of Director (Production & Projects) with effect from 01.06.2026.

Appointments / Resignations of KMP

1. Shri. K V Balakrishnan Nair ceased to be the Company Secretary and Compliance officer of the company w.e.f. 25.04.2025 due to resignation.

2. Shri Clafton Siddharth, Asst. Company Secretary was appointed as Company Secretary and Compliance officer of the Company w.e.f. 28.05.2025.

Key Managerial Personnel

In accordance with Section 203 of the Companies Act, 2013, the Key Managerial Personnel (KMP) of the Company are as follows:

Shri Ganti Venkat assumed charge as Chairman-cum-Managing Director and Chief Executive Officer with effect from June 1, 2024. Shri K. V. Balakrishnan Nair served as Company Secretary and Compliance Officer from August 14, 2024 to April 25, 2025.

Thereafter, Shri Clafton Siddharth assumed charge as Company Secretary and Compliance Officer with effect from May 28, 2025.

Directors Retiring by Rotation

In terms of Section 152 (6) of the Companies Act, 2013, Shri Ganti Venkat Kiran, (DIN: 09613777) Director (Production & Projects)- Addl. Charge and Shri. Gopalakrishnan Ganesan (Govt. Nominee Director), being longest in office shall retire by rotation at the ensuing AGM and being eligible for re-appointment, offer themselves for re-appointment. The Board recommends their re-appointment.

Number of Meetings of the Board

The Board met six (6) times during the year under review. The details of meetings held are given in the Corporate Governance Report. The maximum interval between any two Meetings did not exceed 120 days. The Meetings were conducted in compliance with relevant guidelines as given under SEBI (LODR) Regulations, 2015 and Secretarial Standard -1 issued by the Institute of Company Secretaries of India (ICSI).

Directors Responsibility Statement

Pursuant to Section 134 of the Companies Act, 2013 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), the Directors of the Company state that:

a) In the preparation of the Annual Accounts for the Financial Year ended March 31, 2026, the applicable Accounting Standards had been followed along with proper explanation relating to material departure.

b) The Company has selected such Accounting Policies and applied them consistently and made judgments & estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit & Loss of the Company for that period.

c) The Company has taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d) The Company have prepared the Annual Accounts on a going concern basis.

e) The Company has laid down Internal Financial Controls, which are adequate and are operating effectively.

f) The Company has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

The aforesaid statement has also been reviewed and confirmed by the Audit Committee and the Board of Directors of the Company.

Annual Return

The Annual Return of the Company as on March 31, 2026 in Form MGT-7 in accordance with Section 92(3) read with Section 134(3)(a) of the Act and the Companies (Management and Administration) Rules, 2014, is available on the website of the Company at weblink https://www.kioclltd.in/data.php?id=191&lang=EN.

MCA-21 e-filings

During the year under review, the Company filed all the statutory forms and returns electronically as per the manner and conditions for filing prescribed under Companies (Registration Offices and Fees) Rules, 2014. The financial statements for the year 2025-26 were filed in accordance with the requirements of Section 134 read with Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, 2015.

Compliance with Secretarial Standards

The Company complies with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

Other disclosures

The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year along with their status as at the end of the financial year.	There was no application made or proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year under review.
The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.	Not Applicable

Statutory Auditor

The C&AG of India vide its letter dated 12.09.2023 had appointed M/s G BALU ASSOCIATES LLP, Chartered Accountants as the Statutory Auditor of the Company under Section 139 of the Companies Act, 2013 for the financial year 2025-26. The Auditors have confirmed that they are not disqualified from being appointed as Auditors of the Company. The Auditors remuneration for the year was fixed at ₹8.50 Lakhs plus applicable taxes for Statutory Audit. The total amount paid to the Statutory Auditors for all services rendered to the Company during the Financial Year 2025-26 was ₹13.15 Lakhs.

The Statutory Auditors have issued an unmodified opinion on the financial statements for the financial year 2025-26 and the Auditor's Report forms part of Annual Report.

Cost Records and Cost Audit

The Company is maintaining the cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013. The Cost Audit Report for the Financial Year 2024-25 was filed with the Ministry of Corporate Affairs on 27/10/2025. The Cost Audit Report for Financial Year 2025-26 under finalisation and will be submitted to the Ministry of Corporate Affairs within the prescribed timeline.

Cost Auditor

The Company maintains cost records as required under the provisions of the Companies Act. The Company had appointed Cost Auditors for conducting the audit of the cost records maintained for its Pellet Plant Unit during the Financial Year 2025-26. A remuneration of ₹ 55,000/- was fixed by the Board for payment to the cost auditors for Financial Year 2025-26, which was ratified by the shareholders in the last AGM. The cost audit reports are filed with the Central Government in the prescribed form within the stipulated time. For the Financial Year 2026-27, the Board based on the recommendation of the Audit Committee has appointed M/s Dhananjay V Joshi & Associates, Cost Accountants to audit the cost records. The remuneration payable to the Auditor is being placed before the members in this Annual General Meeting (AGM) for their ratification vide Resolution at Item No. 8 of the Notice convening the AGM.

The Cost Audit Report for the financial year 2025-26 does not contain any qualification, reservation or adverse remark.

Secretarial Auditor

Pursuant to the provisions of Section 202 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed M/s J K Das & Associates, Company Secretaries, Practicing Company Secretary for conducting the Secretarial Audit for the Financial Year 2025-26.

The Secretarial Audit Report and Secretarial Compliance Report for the Financial year 2025-26 forms part of this report.

Internal Auditor

Pursuant to provisions of Section 138 of the Companies Act, 2013 read with rule 13 of Companies (Accounts) Rule 2014 and based on the recommendation of the Audit Committee, the Board of your Company had appointed M/s Rao & Emmar, Chartered Accountants, Chartered Accountants, Bangalore as the Internal Auditor of the Company for conducting Internal Audit for the Financial Year 2025-26 at an audit fee of ₹8,82,000/-. The objective of internal auditing is to assist the Audit Committee/ Management in the effective discharge of their responsibilities by furnishing them with analysis, appraisals, recommendations and pertinent comments concerning the activities reviewed. Besides conducting transaction audit with adherence to legal and regulatory requirements, Internal Audit is to evaluate the adequacy of risk management and internal control system in the Company. While focusing on effective risk management and control in addition to appropriate transaction testing, the Internal Audit offers suggestions for mitigating current risks and also anticipate areas of potential risks. The quarterly Internal Audit Report is being placed before the Audit Committee for its information and review.

Reporting of Frauds by Auditors

During the year under review, Auditors have not reported to the Audit Committee (under Section 143 (12) of the Companies Act, 2013) any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

C&AG Audit

The Comptroller & Auditor General of India (C&AG) has issued its comments on the accounts of the Company for the year ended March 31, 2026. The comments received from the C&AG along with our Management's reply are annexed to this Report.

CORPORATE SOCIAL RESPONSIBILITY

The CSR obligation for FY 2025-26 was Nil, as the Company had incurred losses during the last three financial years. Accordingly, the CSR budget for FY 2025-26 was Nil and no CSR projects/ activities were undertaken during the financial year.

The brief outline of the Corporate Social Responsibility (CSR) initiatives undertaken by the Company during the year under review form part of this Report as an Annexure in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amendments. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report. The CSR policy is available on weblink https://www.kioclltd.in/table.php?id=282.

KEY INITIATIVES

Environmental Management and Pollution Control Measures:

1. Planted around 7.5 million saplings in and around mine area at Kudremukh.
2. Water head (Gravity) at Lakya dam is being used for drawing water for plant process requirement at Mangalore instead of pumping after the closure of mining activity at Kudremukh.
3. 80 KLD capacity STP has been commissioned and treated effluent is recycled in the process. The waste water generated in the process is treated and is completely recycled in the process. Pellet Plant unit is a Zero discharge unit.
4. The Captive Power plant of 28 MW capacity is being operated using low Sulphur Furnace oil to reduce the Sulphur emissions.
5. The DG Sets have been provided with acoustic enclosures to reduce the Noise levels.
6. The process chimneys have been provided with control equipment's such as Wet scrubbers, Multi clones and Bag filters.
7. Slurry pumps have been installed to pump back the storm water to the process.

8. Mist type sprinklers and large area type sprinklers have been installed at various locations in the plant to suppress the fugitive dust emissions.

9. The solid wastes generated in the plant premises is composted and used as manure.

10. The Hazardous wastes are segregated at source and stored in closed sheds category wise. These wastes are sold to agencies authorised by CPCB and KSPCB.

11. The scrap lead acid Batteries, E-wastes, Bio medical wastes are disposed as per the requirements prescribed in the relevant Acts.

12. Plantation activity is taken up every year with in the plant premises and neighbouring areas around Mangaluru.

13. Action has been taken to implement energy efficient lighting systems such as Solar and LED in the plant areas.

14. In order to efficiently process the IOF with different grades, 4 nos. of vertical pressure filters (Metso make), each with a capacity of 100 TPH were installed in the month of March 2024. With the operation of vertical pressure filters, power consumption reduces by about 11 units per ton of production, as compared to vacuum disc filters.

15. At the Blast Furnace Unit, the process has in-built online Dust Catcher and Gas Cleaning Plant for processing the gases generated in the Blast Furnace. Further, the CO gas, which is a by-product of Blast Furnace, is not let out to the atmosphere but effectively utilised to generate power in our 2 x 3.5 MW Captive Power Plant. A part of this gas is also used to preheating process air at stoves.

16. KIOCL has constructed a Coke Storage Shed (Closed shed) of capacity 32,000 MT for storage of Coke fines.

17. The Pellet fines (2% of Pellet production) is recycled in the process after Re-Grinding. There is no solid waste generation in the Pellet Plant and other wastes such as plastic and paper wastes are recycled.

Training & Safety

KIOCL has well designed and comprehensive Safety Management system at its plants. KIOCL Pellet Plant and Blast Furnace Units are covered under Factories act and all the safety parameters, standards are complied with as per the Rules and Regulations provided therein the Factories act 1948 and its subsequent amendments.

At KIOCL, we have been following SOPs and each Department in the Plant has their own standard operating procedures which are being followed. Based on the Departments involved in the production process at Pellet Plant a booklet has been prepared on "Code of Safety Practices " at Pellet Plant from the Safety Department to follow these safety practices meticulously by the concerned. More emphasis has been given on the safety aspects related to the equipment's in use at our Pellet Plant. The brief aspects covered under this "code of Safety Practices "are as under:

1. Electrical Safety rules covering Substation, battery, switch gears, motor control, transformers, oil filtration and testing, lighting and power distribution, welding transformers, generators, overhead lines and cables, electrical hand tool, AC Plant, Radiation hazards, electrical panels, high tension and low tension, conveyor grab lines and hooters, lighting distribution boards.

2. Mechanical equipment's covering, Agitators, Apron feeder, Ball Mill, Chutes, Conveyor belts, Crushers, Dump pond cleaning, Lifts, Pelletizing Discs, Pipelines, Pressure filters, process fans, pumps, Reclaimers, Roller Screen and feeder, safety in CPP, sewerage treatment plant, Ship loader, Silos, Thickeners, Vacuum disc filters, Vibrating screen and Feeders, Wet vibrating screens

3. Process control Laboratory covering personal wear, handling of glass wares, chemicals, storage of chemicals

4. General aspects covering housekeeping, material storage, PPE, hand tools, fire extinguishers, shutdown and lock out procedure, first aid and reporting injuries, machine guards and hand rails, welding and gas cutting, ladders and scaffolds, overhead work, cranes, hydraulic tools.

KIOCL is also certified ISO Company and accredited with 45001-2018 certification for ensuring safety.

- Adoption of Best practices in relation to risk management
- Health and wellbeing of employees is maintained as per requirement and best medical facilities have been provided. Periodical medical examination for all the employees is carried out every year.
- Actions taken for Reducing/eliminating work place hazards
- Incident investigation process is done invariably.
- Employee's motivation kept high through provision of safer workplace and their active participation in the process.
- Safety audits are conducted by external ISO agency and actions taken wherever required for improvements. Safety audits are also conducted by third party.

KIOCL has also formulated Guide lines for safe working in Pellet Plants as per the advice of Ministry of Steel which is linked to standard safety codes uploaded by the Ministry.

The total Safety management system is implemented in the company in three phases covering:

1. **Engineering control** (provided hardware and software devices on equipment's and machineries for safe operation. (to quote a few - CBs, Relays, fuses, interlocks, tripping device, siren, hooters, emergency switches, gauges, fire alarm, indicators and such other devices)

2. **Administrative control** (Carrying out testing of tools and tackles, conducting safety audits and meeting at different levels, provision of onsite emergency plan, conducting mock drills, safety campaign, safety training, plant improvement, review etc) &

3. **Personal protective system** Safety Management system ensures and provides all types of Personal Protective equipment's from head to toe covering all body parts, namely Safety helmets, ear plugs and muffs, goggles, Face shield, Aprons to protect against hot, chemical working conditions, Gloves, Shoes and different respirators and also provide training on the use of PPEs. Around ₹ 4,61,489 (Four Lakh sixty-one thousand Four hundred eighty-nine only) is spent on PPEs during the year 2025-26.

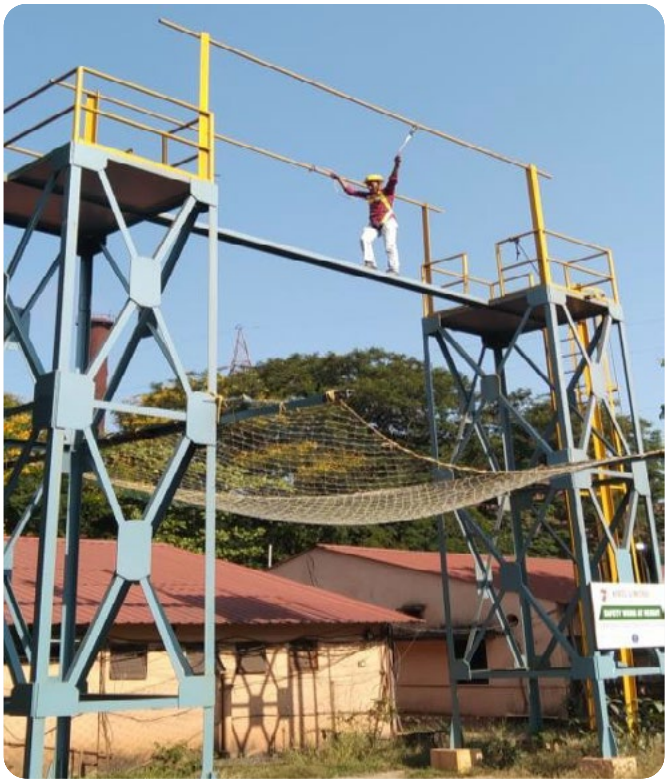
Other activities at Training & Safety Department:

As per the Factories Act, 1948, Safety Week is celebrated annually. During the year, Safety Week was celebrated from 04th to 10th March 2025. As a part of safety week celebrations various competitions is conducted for employees and contractors. Safety training programs conducted through internal as well as external faculties. Many safety competitions were held such as Safety slogans, Essay/Poetry writing in trilingual, poster painting etc for sensitizing the safety issues.

Safety Committee meetings were held on 25.03.2025, 28.06.2025, 26.09.2025 & 24.12.2025 for PPU and on 20.01.2026 conducted for BFU with worker participation. Further Internal cross departmental Safety audit has been carried out by a committee formulated by competent authority as per Standard checklist IS:14489 in the month of 3rd to 5th July - 2024 through M/s Bureau Veritas Industrial Services (India) Pvt Ltd, Bangalore. Next External audit is planned during June -2026.

Various Training programmes have been conducted to inculcate Safety consciousness and to develop the human resources. The Refresher Training on SOPs and Maintenance activities, first aid, Fire fighting training, Awareness programme on Environment, Occupational health, Safety, Vigilance, Sustainable development, Productivity were conducted and totally 1000 man days of training have been imparted in the above areas for employees, besides 208 man days towards contract workers on Work place Safety.

VERTIGO TEST TRAINNG & CARD ISSUED TO ALL HEIGHT WORKERS NO OF PERSONS TRAINED DURING 2025 : 36 CONTRACT WORKMAN



SAFETY DAY CELEBRATION 4th March 2026

FLAG HOISTING & SAFETY PLEDGE TAKEN AT RESOURCE CENTRE, PPU


SAFETY FLAG HOISTING

SAFETY PLEDGE TAKING

SAFETY COMPETITIONS CONDUCTED FOR EMPLOYEES & CONTRACT WORKMEN

Various Competitions held under the 55th National Safety Day Theme (2026)

"Engage, Educate & Empower Safety"

1. Safety Slogans competition for Employees (Slogan in Kannada, Hindi and English).
2. Safety Quiz competition for Employees.
3. Suggestions by Employees for Implementation of Safety with no or minimum cost.
4. Safety Posters competition for School children.
5. HIRA competition for executives.
6. Safety Elocution competition for contract workmen.
7. SCBA competition for Firemen.
8. Best Housekeeping award for 2025-26.
9. Safety Excellence Awards 2025, for remarkable achievement of best safety record during the year 2025-26 (Winner).
10. Safety Excellence Awards 2025, for remarkable achievement of best safety record during the year 2025-26 (Runner).
11. Best Safety performers award 2025, for Non-Executive Employees.
12. Contractors best Safety Performance Award 2025, for good safety practices during their contract work for the year 2025-26.
13. Best Safety performers award 2025, for contract workmen

55th National Safety Month Celebration at KIOCL Limited (01st to 31st March 2026)

55th National Safety Month Celebration at KIOCL Limited (01st to 31st March 2026)

EMPLOYEES WINNERS GIFT

BEST SAFETY PERFORMER FOR 2025-26

SAFETY EXCELLENCE AWARDS 2025 (WINNER) - CIVIL & PROJECTS DEPARTMENT

(For Remarkable achievement of Best Safety Record during the year 2025 -26)

- Work-at-height activities, including **furnace oil tank painting and scaffolding works** were carried out safely with proper safety precautions.
- **Roof sheeting work at the Stores Department** was completed safely by following safety practices.
- **Highway water leakages were successfully arrested**, along with other civil-related works and ensuring good safety standards for all type of works at plant premises.
- Achieved **Nil accidents were recorded during the year 2025–26 with no major accidents**.

SAFETY EXCELLENCE AWARDS 2025 (RUNNER) - STORES DEPARTMENT

(For Remarkable achievement of Best Safety Record during the year 2025 -26)

- Safe **loading and unloading of raw materials through trucks** was carried out by following all the required safety procedures and precautions regularly.
- Achieved **Nil Accidents during FY 2025–26**.
- Ensured **daily PPE compliance** among all employees and contract workers.
- **Conveyor 415 dismantling work** was completed safely..

CONTRACTORS BEST SAFETY PERFORMANCE AWARD 2025

1. For remarkable achievement in Safety practices during their operation and maintenance activities.
2. Implementation of PPE practices regularly.
3. Nil accident record for the year 2025-26.

1. For remarkable achievement in Safety practices during the erection activities of coke oven project.
2. Implementation of PPE practices regularly.
3. Nil accident record for the year 2025-26.
4. Safety toolbox talks record.

1. For remarkable achievement in Safety practices during the maintenance activities at conveyor belts.
2. Implementation of PPE practices regularly.
3. Nil accident record for the year 2025-26.

CONTRACTORS BEST SAFETY PERFORMANCE AWARD 2025

AWARDED TO PF OPERATION AND MAINTENANCE DEPARTMENT

IBC AGNI PURASKAR (Fire Excellence Awards) 2026

KIOCL Limited has been honoured with the prestigious Distinguished Safety / Zero Accident Award – Winner in recognition of its outstanding commitment to workplace safety, accident prevention and excellence in safety management.

Laydown area near main warhouse – Gas cutting Activity

First aid training

The first batch of safety training was completed with the participation of 21 Non-Executive employees out of 46 employees. In addition, 4 personnel from the Fire Wing and 3 contractor personnel participated in the training. The remaining 25 Non-Executive employees were scheduled to attend the subsequent batch of training on 14 August 2025.

The training covered key topics including Cardiopulmonary Resuscitation (CPR), Dos and Don'ts in emergency situations, and methods of safely carrying injured persons. The demonstrations were conducted by the Fire Wing team, with the relevant aspects also explained by the Senior Medical Officer.

ISO Certification

KIOCL holds ISO integrated management system certification for Quality Management System (QMS) as per ISO: 9001:2015 Standard, Environmental Management System (EMS) as per ISO 14001:2015 Standard and Occupational Health & Safety Management System (OHSMS) as per ISO 45001:2018 Standard.

The last surveillance audit done by the certifying body i.e. M/s. VEXIL BUSINESS PROCESS SERVICES PRIVATE LIMITED in the Month of October 2024. The certifying body verified compliance with IMS standards and recommended for continuation of certificate.

The present certificate is valid till November 2027.

Implementation of Official Language Policy

During the year under review, the Department of Official Language of KIOCL Limited conducted the meetings of the Official Language Implementation Committee at regular intervals in accordance with the objectives and targets set out in the Annual Programme 2025-26 of the Department of Official Language, Ministry of Home Affairs. Practical and office-oriented workshops were also organised regularly, along with inspections relating to the implementation of Official Language.

The Corporate Official Language Department of KIOCL participated in the 5th All India Official Language Conference organised at Gandhinagar on 14-15 September 2025. During Hindi Pakhwada 2025, various innovative Hindi competitions were organised with active participation from employees across all groups. The winners of the competitions were felicitated and presented with awards in the gracious presence of eminent literary personalities.

During the year, the Department of Official Language undertook timely translation of various documents, including content for the Company's website, correspondence with the Ministry of Steel, reports of Parliamentary/Standing Committees, Annual Reports, the House Journal, press releases, RTI-related documents and other official forms and communications.

The Company's e-magazine 'Srigandha' was published and disseminated through email and WhatsApp. The e-magazine was also made available on the Company's website and on the E-Library section of the web portal of the Department of Official Language, Ministry of Home Affairs.

As part of the initiatives to promote and encourage the progressive use of Hindi, KIOCL published advertorials and messages relating to Hindi in newspapers on Hindi Diwas (14 September) and Vishwa Hindi Diwas (10 January). The Company also actively participated in Regional Official Language Conferences and events held at Chennai and Hyderabad, wherein KIOCL's Official Language magazine and QR-code-enabled calendar were displayed, showcasing the Company's initiatives and progressive use of Official Language.

VIGILANCE

Preventive vigilance continued to be the primary focus of the Vigilance Department during the year. Sustained efforts were made to promote a culture of integrity, transparency, and accountability by sensitizing employees at all levels to the adverse effects of corruption and malpractices.

Quarterly Structured Meetings between the Vigilance Department and the Management were conducted regularly to review vigilance-related matters and discuss systemic improvements. Key areas deliberated during these meetings included e-Governance initiatives, leveraging technology for enhanced transparency, tender management, award of contracts, rotation of officials occupying sensitive posts, implementation of the Integrity Pact, and other preventive vigilance measures.

The Vigilance Department continued to maintain compliance with ISO 9001:2015 Quality Management System standards, reinforcing its commitment to continual improvement in vigilance processes. The certification remains valid until 28 January 2028.

The Company continued to follow the e-Procurement system for all procurements valued at ₹2 lakh and above. During the year, 98.40% of contracts by value were processed through the e-Procurement platform, while all payments were made exclusively through electronic mode, ensuring greater transparency and efficiency.

A total of 151 work, purchase, and sale orders were issued incorporating the Integrity Pact clause, covering 95.83% of contracts by value. No complaints were received under the Integrity Pact mechanism during the year.

As part of preventive vigilance initiatives, the Vigilance Department carried out 47 scrutinise/examinations, 24 general inspections, 14 surprise checks, and 10 Chief Technical Examiner (CTE)-type inspections during the year. Based on the observations made, suitable corrective measures were recommended wherever necessary. All complaints received during the year were examined promptly, and appropriate action was taken in accordance with the prescribed procedures.

During the year, the Vigilance Department also initiated the practice of conducting process studies across various functional areas of the Company with a view to identifying systemic deficiencies and recommending suitable improvements through the issuance of vigilance advisories.

Vigilance Awareness Week-2025 was observed from 27 October to 2 November 2025 across all offices and establishments of KIOCL Limited under the theme "Vigilance: Our Shared Responsibility" "सतर्कता: हमारी साझा जिम्मेदारी". Walkathons were organized at the Corporate Office, Bengaluru, and the Pellet Plant, Mangaluru, to promote vigilance awareness. Workshops, training programmes, guest lectures, and sensitization sessions were conducted to reinforce ethical values and preventive vigilance. In addition, essay writing, slogan writing, and quiz competitions were organized for employees as well as school and college students. The programmes highlighted the significance of vigilance, ethical conduct, and the initiatives undertaken by the Company to strengthen transparency and good governance.

To enhance professional competence, officers of the Vigilance Department, including Vigilance Officers, participated in 14 vigilance-related training programmes, accounting for a total of 1,221 man-hours of training during the year.

Vigilance Cases during 2025–26

The status of vigilance cases during the financial year 2025–26 is as follows:

Particulars	Number of Cases
Cases pending as on 31.03.2025	0
Cases initiated during 2025–26	0
Cases disposed of during 2025–26	0
Cases pending as on 31.03.2026	0

Vigilance Awareness Week-2025

Vigil Mechanism

Your Company has a Whistle Blower Policy and has established the necessary vigil mechanism for Directors and Employees in confirmation with Section 177(9) of the Companies Act, 2013 and Regulation 22 of SEBI(LODR) Regulations, 2015, to report concerns about unethical behaviour. The details of the policy have been disclosed in the Corporate Governance Report, which forms part of this report and is available on link https://www.kioclltd.in/table.php?id=279. During the period under review, no person was denied access to the Chairman of the Audit Committee.

Integrity Pact

With the commitment to maintain the highest standard of transparency and governance, your Company has entered into an integrity Pact with Transparency International and has also appointed Independent External Monitors (IEMs). Structured Meetings are held with IEMs on regular intervals and threshold value is ₹ 1 Crore for signing of Integrity Pact for purchase / works contracts.

Details of Independent External Monitor (IEM)

Ms. Saroj Punhani, TA&AS (Retd.), A-11/23, Vasant Vihar, New Delhi - 110 057. E-mail Id: saroj_punhani@hotmail.com and Shri. Paul Antony, IAS (Retd.), No. 70, GCDA Road, Periyar Gardens, Thottakattukara, Aluva, Kerala – 683 108. E-Mail: paulantony@gmail.com have been appointed as Independent External Monitors (IEMs) for Implementation of the Integrity Pact Programme in KIOCL Ltd.

Nature of Pending Cases- There are no pending cases during the year 2025-26.

Audit Paras: There is no pending Audit Para from C&AG during the year under review.

Expenditure on R&D

No expenditure has been incurred for R & D activities during the FY 2025-26.

Procurement of raw material from sources other than NMDC;

During the FY 2025 -26, Company has not procured any Iron Ore Fines from sources other than NMDC.

MSME Act, Section 21 & Filing of Form MSME-1

As per MSME Development Act 2006, where any MSME vendor supplies any goods or renders any services to any buyer, the buyer shall make payment within 45 days from the day of acceptance of goods/ services. Where any buyer fails to make payment to the supplier within 45 days, the buyer shall be liable to pay interest on that amount.

A total amount of ₹ 110.73 crores was paid to MSME vendors up to the QIV of financial year 2025-26 and the details of the amount released and the number of days to which the payments were released are furnished below:

0 - 15 days	15 - 30 days	30 - 45 days	> 45 days	Total
40.32	2.31	0.00	-	42.63

The Ministry of Corporate Affairs (MCA) issued a notification on 22-01-2019 states that specified Companies having outstanding dues to the MSME (Micro, Small and Medium) enterprises have to file the particulars of all current outstanding dues in Form MSME-1 with the ROC (Registrar of Companies). Since, your Company had no payments outstanding for more than 45 days to the MSME supplier, form MSME-1 was not required to be filed during the year.

ii) Implementation of New Public Procurement Policy for MSMEs:

In line with the Govt. of India guidelines as per MSME Development Act 2006 and keeping in view of the effective implementation of Public Procurement Policy for Micro and Small Enterprises (MSEs) Order 2012, following steps were taken by the Company:

List of item components that could be sourced from MSEs were posted on the Company's website at www.kioclltd.in for the information of MSE vendors.

Communication sent to all the registered vendors regarding the said policy with the objective of achieving an overall procurement from MSEs. Further, for enhancing the procurement from MSEs owned by SC/ ST, all the vendors were approached for capturing necessary details and update the data bank.

During the FY 2025-26, Company placed orders for Goods & Services for a value of ₹121.98 crores from MSE's which constituted 29.28% of the total procurement value (Goods and Services) of ₹ 416.63 crores (excluding iron ore fines and furnace oil).

The procurement from MSMEs complies to Public Procurement Policy during the financial year 2025-26 as placed below:

(₹ in crores)

Sl. No.	Particulars	
1	Total annual procurement of goods & services	416.63
2	Target %age of annual procurement	25%
3	Total value of goods and services procured from MSEs (including MSEs owned by SC/ST entrepreneurs)	121.98
4	Total value of goods and services procured from only MSEs owned by SC/ST entrepreneurs	0.71
5	% age of procurement from MSEs (including MSEs owned by SC/ ST entrepreneurs) out of total procurement	29.28%
6	% age of procurement from only MSEs owned by SC/ ST entrepreneurs out of total procurement	0.59%
7	% age of procurement from Women MSEs	2.19%

Trade Receivables Discounting System (TReDS) platform

In exercise of powers conferred by Section 9 of the Micro, Small and Medium Enterprise Development Act, 2006 (27 of 2006), the Central Government has issued instructions that all CPSEs shall be required to get themselves on boarded on the Trade Receivables Discounting System (TReDS) platform, set up as per the notification of the Reserve Bank of India. In compliance with the above instruction, your Company is on the TReDS platform to facilitate financing of trade receivables of MSEs by discounting of their receivables and realisation of their payment before the due date.

Details of complaint filed by the MSEs, on MSME SAMADHAN – Delayed Payment Monitoring System, if any and its resolution. –

During FY 2024-25, a pending claim from M/s NESTLER PROTEC INDIA LIMITED was filed by the MSE under the MSME Samadhaan – Delayed Payment Monitoring System. In FY 2025-26, the matter was referred to arbitration for adjudication.

Procurement from Government e-Marketplace (GeM)

Against the target of ₹ 175 Crores, KIOCL made procurement amounting to ₹ 392.37 Crores through GeM portal during the Financial Year 2025-26.

Import Substitution:

Sl. No.	Item Description	OEM	New Vendor	PO No	PO Value	OEM Cost (Approx)
1	150 & 180 Micron Panels for Derrick Screens	M/s Derrick LLC, Singapore	M/s Thejo Engineering Limited	4500002018	14.82 lakhs	23.40 lakhs
2	Pinch Sleeves for Vertical Pressure Filters	M/s Metso ,Sweden	M/s Thejo Engineering Limited	4500002056	5.41 Lakh	5.38 Lakhs
3	Sleeve for RF Valve of VPF	M/s Metso, Sweden	M/s Unitec Rubber & Conveyor Systems Ltd	4201100387	5.6 Lakh	6.06 lakhs

Right to Information

In consonance with the spirit of Right to Information Act, 2005 the Company has created necessary mechanism as required under the Act. The Public Information Officers and Appellate Authorities are effectively responding to the requests and appeals of the applicants. The names of all PIOs/ Appellate Authorities are displayed on the Company's website. During the period, KIOCL has received 50 RTI applications on various matters and suitable reply was sent within stipulated period of time.

Energy Conservation, R&D, Technology Absorption, Forex Earnings & Outgo

Details of Energy Conservation, R&D, Technology Absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of the Companies (Accounts) Rules, 2014, is annexed to this report.

Appreciations and Acknowledgement

Your directors gratefully acknowledge the support, co-operation and guidance received from the Hon'ble Minister of Steel, Hon'ble Minister of State for Steel, Hon'ble Chief Minister of Karnataka, the Secretary, Ministry of Steel and other officials of the Ministry of Steel as well as other Ministries of the Government of India, Government of Karnataka, Odisha, Tamil Nadu and all other departments / agencies of Central and State Government in all the endeavours of the Company. The Board is also thankful to all its stakeholders, including bankers, investors, members, customers, consultants, technology licensors, contractors, vendors, etc, for their continued support and confidence reposed in the Company.

Your directors appreciate and value the contribution made by every member of the KIOCL family

For and on behalf of the Board of Directors

Sd/-
(G V Kiran)
Chairman-cum-Managing Director
DIN: 07605925

Date: 13.08.2026
Place: Bangalore

Report on Corporate Social Responsibility

Your Company has formulated a Corporate Social Responsibility Policy in line with the Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 read with various clarifications, amendments issued by the Ministry of Corporate Affairs (MCA).

The CSR Programs / Initiatives / Projects are taken up in line with the Schedule-VII of the Companies Act, 2013, which is duly incorporated in the Corporate Social Responsibility Policy and forms the guiding principle for all our programs. The objective of CSR is to contribute towards inclusive growth, sustained and equitable development in society through capacity building measures, empowerment of the marginalized and underprivileged sections/communities. Focused interventions are undertaken in the sectors of healthcare, education, rural development, environmental sustainability etc.

The CSR obligation for FY 2025-26 was Nil, as the Company had incurred losses during the last three financial years. Accordingly, the CSR budget for FY 2025-26 was Nil and no CSR projects/activities were undertaken during the financial year.

Report on Corporate Governance

In accordance with the Corporate Governance provisions specified under Regulations 17 to 27 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the report containing the details of Corporate Governance systems and processes presented as detailed below:

Company's Philosophy

The Corporate Governance Policy of your Company rests upon the four pillars of Transparency, Full Disclosures, Independent Monitoring and Fairness to all. The Company believes that conducting business in a manner that rests with these four pillars would deliver long-term returns to the shareholders, favourable outcomes to the customers, attractive opportunities to the employees and making the suppliers as partners in progress resulting in the enrichment of the Society. The Company has set itself the objectives of expanding its capacities and becoming competitive in its business. As its progress on its growth path, the Company believes in adopting the 'best practices' that strengthen the Corporate Governance objectives of delivering sustainable value to all its stakeholders The Board of your Company considers itself as a trustee of its stakeholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth.

Policies & weblink for accessing:

The SEBI listing regulations mandated the formulation of certain policies for all listed Companies. Accordingly, your Company has formulated its Corporate Governance policies, which are hosted on its website at https://www.kioclltd.in/table.php?id=282. These policies are reviewed periodically by the Board and are updated based on the need and new compliance requirements.

BOARD OF DIRECTORS

Composition of the Board

Your Company being a Government Company within the meaning of Section 2(45) of the Companies Act, 2013, the appointments / nominations of all Directors are vested with 'The President of India', acting through Ministry of Steel. The Articles of Association of the Company stipulate that the number of Directors shall not be less than five and not more than thirteen. As on March 31, 2026, the Board of Directors of the Company comprised four Directors, consisting of two Functional (Executive) Directors, one Independent Director and one Director nominated by the Ministry of Steel. The brief profiles of Directors are available at https://www.kioclltd.in/table.php?id=128.

The Board of Directors comprises of professionals of eminence drawn from diverse fields of expertise. They collectively bring to the fore a wide range of skills and experience to the Board, which elevates the quality of the Board's decision-making process.

Attendance at Board Meeting, Last AGM and Directorships held

As mandated by Para 'C' of Schedule V of SEBI (LODR) Regulations, 2015, neither of the Directors are members of more than ten Board level Committees, nor the Chairmen of more than five Committees across all the Companies, in which they are Directors. The composition of Board of Directors and their attendance to various Meetings during the Financial Year 2025-26 is given in Table 1.

Table 1: Composition & Attendance Record of the Board Meetings

Name S/Shri/Dr.	DIN	Designation	Category	Attendance/ Total Meetings	Whether Attended last AGM (Yes/No)	No. of Committees		Shareholding (Equity Shares of ₹10 each)	No. of Directorships in other Listed Entities as on 31.03.2026	Name of other listed entities in which director hold's directorships as on 31.03.2026	Category of directorships in other listed companies
						Chairperson	Member				
Ganti Venkat Kiran*	07605925	Chairman and Managing Director & Director (Production & Projects)- Addl. Charge & Director (Finance)- Addl. Charge	Executive	6/6	Yes	0	4	0	0	0	-
Binay Krushna Mahapatra**	09613777	Director (Commercial)	Executive	6/6	Yes	-	2	-	-	-	-
Changdev Sukhdev Kamble***	09351638	Independent Director	Non-Executive	6/6	No	2	3	-	-	-	-
Vinod Kumar Tripathi****	10711675	Government Nominee Director	Non-Executive	1/1	No	-	-	-	-	-	-
Gopalakrishnan Ganesan****	11163002	Government Nominee Director	Non-Executive	4/5	No	-	-	-	-	-	-

Notes:

* The Ministry of Steel, vide letter dated 22.04.2024 (No. S-14015/2/2023-BLA), appointed Shri Ganti Venkat Kiran as Chairman-cum-Managing Director of the Company w.e.f. 01.06.2024. In addition, the Ministry entrusted him with the additional charge of Director (Production & Projects) vide Order dated 06.06.2024 (No. S-1405/1/2024-BLA-Part-1), which was subsequently extended w.e.f. 01.06.2025 vide letter dated 14.05.2025 (No. S-14015/2/2024-BLA), and further extended w.e.f. 13.05.2026 and 01.06.2026 vide letters under Ref. No. S-14015/1/2025-BLA. Furthermore, the Ministry assigned him the additional charge of Director (Finance) w.e.f. 13.05.2026 vide letter dated 29.05.2026 (No. S-14015/1/2025-BLA) and appointed him to the additional charge of Director (Commercial) w.e.f. 01.06.2026 vide letter No. S-14015/1/2025-BLA.

*The Ministry of Steel vide letter No. S-14015/1/2025-BLA, has appointed Shri Ganti Venkat Kiran as Director (Commercial) with effect from 01.06.2026, Additionally vide letter No. S-14015/1/2025-BLA has extended the additional charge of the post of Director (Production & Projects) with effect from 13.05.2026. Moreover, vide letter No S-14015/1/2025-BLA has extended the additional charge of post Director (Production & Projects) with effect from 01.06.2026.

**The Ministry of Steel vide its letter no. S-14015/4/2023-BLA dated 19.04.2024 had assigned additional charge of Director (Finance) to Shri Binay Krushna Mahapatra, Director (Commercial) w.e.f. 17.04.2024. Accordingly, he was holding additional charge of the post of Director (Finance) upto 16.04.2025.

*** Pursuant to Order No. 1/10/2025-BLA dated 15.04.2025 issued by the Ministry of Steel, Changdev Sukhadev Kamble was reappointed as an Independent Director with effect from 15.04.2025 for a period of one year from the date of issuance of the Order.

**** The Ministry of Steel vide its OrderNo.S-14011/1/2022-BLA dated 11.06.2025 appointed Shri. Gopalakrishnan Ganesan, Director, Ministry of Steel, as Government Nominee Director on the Board of Directors of KIOCL Limited vice Shri Vinod Kumar Tripathi, Joint Secretary, Ministry of Steel. Accordingly, Shri Vinod Kumar Tripathi ceased to be Director on the Board of KIOCL Limited w.e.f 11.06.2025.

Details of Meetings of the Board held along with the dates are given at Table 2 below:

Table 2: Meetings of the Board of Directors

Meeting No.	Date of Meeting	Intervening Gap (No of Days)
298	28/05/2025	104
299	13/08/2025	77
300	26/09/2025	44
301	14/11/2025	49
302	13/01/2026	60
303	12/02/2026	30

The intervening gap between the Meetings were within the prescribed limit.

Disclosure of Relationships between Directors inter-se

As per declarations received from Directors, there is no inter-se relationship between Directors of the Company.

Training of Board Members

The Board Members and Senior Management Personnel are nominated for various training programs from time to time. New Directors joining the Board are provided with documents about the Company which includes the Company's profile, Memorandum and Articles of Association, Brochure, previous Annual Reports, MoU Documents, DPE Guidelines on Corporate Governance, terms of reference of various committees of the Board etc. The Company has a well-defined policy on training to the Board Members The policy is available on weblink https://www.kioclltd.in/table.php?id=282.

Familiarization Programme to Independent Directors

The Independent Directors of the Company are nominated for suitable training/programmes / seminars / plant visit from time to time. During the year under review, no familiarization programmes were conducted. The details of the familiarization programmes imparted to Independent Directors is available on Company website at weblink https://www.kioclltd.in/table.php?id=222&lang=EN.

Chart or Matrix setting out the Skills/ Expertise/ Competence of the Board of Directors

KIOCL being a Government Company under the control of its administrative Ministry viz. Ministry of Steel, the Board members are appointed / reappointed by the Administrative Ministry. The skills / expertise / competence as required in the context of business and areas pertaining to the company is identified by Govt. of India and accordingly selection of Directors on the Board is made by Govt. as per its own procedures and rules.

However, in compliance with Regulation 34 read with Part C(2)(h) of Schedule V of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 a chart or a matrix setting out the skills / expertise, competence of the Board of Directors is as under: -

Name of the Director	Designation	Existing Skills / expertise / competence
Shri Ganti Venkat Kiran	Chairman-cum-Managing Director, Director (Finance)- Addl. Charge & Director (Production & Projects)- Addl. Charge	Pelletization
Shri Binay Krushna Mahapatra	Director (Commercial)	Commercial & Marketing
Shri Changdev Sukhadev Kamble*	Independent Director	Academic
Shri. Vinod Kumar Tripathi**	Govt. Nominee Director	Indian Administrative Service (IAS)
Shri. Gopalakrishnan Ganesan**	Govt. Nominee Director	Indian Railway Accounts Service (IRAS)

Notes:

* Pursuant to Order No. 1/10/2025-BLA dated 15.04.2025 issued by the Ministry of Steel, Changdev Sukhadev Kamble was reappointed as an Independent Director with effect from 15.04.2025 for a period of one year from the date of issuance of the Order.

** Ministry of Steel vide its OrderNo.S-14011/1/2022-BLA dated 11.06.2025 appointed Shri. Gopalakrishnan Ganesan, Director, Ministry of Steel, as Government Nominee Director on the Board of Directors of KIOCL Limited vice Shri Vinod Kumar Tripathi, Joint Secretary, Ministry of Steel. Accordingly, Shri Vinod Kumar Tripathi ceased to be Director on the Board of KIOCL Limited w.e.f 11.06.2025.

Resolution through Circulation

Circular Resolutions passed during the year under review, were in accordance with the provisions of Sub-Section 1 of Section 175 of the Companies Act, 2013 read with Rule 5 of the Companies (Meeting of Board and its Powers) Rules, 2014 and Rule 6 of the Secretarial Standard on Meeting of the Board of Directors. The same were placed before the subsequent Meetings of the Board and were recorded in the Minutes of the Board Meeting.

Declaration of Independence

Independent Directors have given declaration under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as laid down under Section 149(6) of the said Act. Independent

Independent Directors of the Company have registered their names in the Independent Directors' Databank maintained by the Indian Institute of Corporate Affairs (IICA) in compliance with Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended

Board Meetings and Procedure

Meetings of Board of Directors are governed by a structured Agenda item, supported with comprehensive notes, containing all the relevant information, to enable the Directors to have meaningful discussion at the Meeting and informed decision taking. All relevant information as specified in Regulation 17(7) read with Part A of Schedule II of SEBI (LODR) Regulations, 2015 and Annexure - IV of the

Guidelines on Corporate Governance for CPSE's issued by DPE, was placed before the Board. The Agenda Notes are circulated to the Directors in advance of each meeting of the Board of Directors. Wherever it is not practical to send the relevant information as a part of the agenda papers, the same is tabled during the Meeting. The presentation covering the Company's performance, operations and business strategy are also made to the Board. The Board also reviews periodically the compliance status of all the applicable laws. The members of the Board have unfettered and complete access to information in the Company. As a mandatory part of the procedure, the Company presents a comprehensive Action Taken Report (ATR) of the previous Meetings to the Board of Directors at the ensuing Meetings.

Code of Conduct

In compliance with Regulation 26(3) of SEBI (LODR) Regulations 2015 and DPE guidelines, the Company has framed and adopted a Code of Conduct applicable to Board level and below Board level i.e., one grade below Board level up to Chief General Manager Cadre of the Company. The same is also available on the website of the Company. The Code of Conduct is incorporated with the duties of Independent Directors as laid down in the Companies Act, 2013 and aligned with Company's mission and objectives and aims at enhancing ethical and transparent process in managing the affairs of the Company. All the Members of Board and senior Managerial Personnel have affirmed compliance to the Code. A declaration to this effect, signed by the Chairman-cum-Managing Director forms part of this Report.

Whistle Blower Mechanism

The Company has formulated and adopted a "Whistle-Blower Policy" to provide Employees including Directors an avenue to lodge complaints, in line with the commitment of Company to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication and to provide necessary safeguards for protection of Directors and Employees from reprisals or victimization, for whistleblowing in good faith. The "Whistle-Blower Policy" is available on Company Website at https://www.kioclltd.in/table.php?id=279.

Prohibition of Insider Trading

A "Code of Practices & Procedures" for fair disclosure of unpublished price sensitive information and Conduct of Regulating, Monitoring & Reporting of Trading by Insiders of the Company "(Code)" in compliance with the Regulations 8 and 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 is in vogue in the Company and is available on Company website at https://kioclltd.in/table.php?id=283.

Structured Digital Database

The Company is also maintaining the Structured Digital Database (SDD) as required under the SEBI (Prohibition of Insider Trading) Regulations, 2015. Further, in pursuance of Regulation 3(5) of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company is submitting to the Stock Exchanges on quarterly basis, the Compliance Certificate issued by M/s P.S. Bathla & Associates, Practicing Company Secretaries on Structured Digital Database maintained by the Company in the prescribed format.

Trading Window Closure

The trading window closure period for dealing in securities of the Company is informed to the stock exchanges and hosted on the website of the Company. The Trading Window generally remains closed for 'Insiders' of the Company from the end of each quarter till 48 hours after the financial results for the quarter are filed with stock exchanges and become generally available, unless otherwise informed by Company Secretary.

Director Shareholding

As on March 31, 2026, none of the Directors are holding any shares in the Company.

Committees of the Board

The Board constituted / reconstituted various Sub-Committees of Directors. These Committees monitor the activities falling within their terms of reference. There are seven Board Sub-Committees as on March 31, 2026, which comprises five statutory Committees and two other non-statutory Committees. Committee Meetings in FY 2025-26, were held through Video Conferencing / physical mode, details of which are as follows: -

A. Name of Statutory Committees

a. Audit Committee
b. Nomination & Remuneration Committee
c. Corporate Social Responsibility Committee
d. Stakeholders Relationship Committee
e. Risk Management Committee

B Name of Non-Statutory Committees

a. Committee of Management
b. Investment, Project Appraisal & Monitoring (IPAM) Committee

a. AUDIT COMMITTEE

Brief Description of Terms of Reference

The Term of Reference (ToR) of the Audit Committee are in line with Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, Regulation 18 and Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE guidelines, issued from time to time, including any statutory modification(s) or re-enactment thereof, for the time being in force.

Composition of the Committee

As per the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee is required to comprise at least two Independent Directors and one Functional Director, with an Independent Director as its Chairman. Director (Finance) is a permanent invitee to the meetings of the Audit Committee and the Company Secretary acts as the Secretary to the Committee. However, due to non-availability of the requisite number of Independent Directors on the Board, as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for constitution of the Audit Committee, the Committee could not be reconstituted. Consequently, no meetings of the Audit Committee were held during the FY 2025–26.

Meetings and Attendance during the Year

The total number of Meetings along with the date on which they were held during year are given at table 3 and the composition and attendance of the members is given at Table 4:.

Table 3: Meeting of Audit Committee

Sl. No.	Meeting No.	Date of Meeting	Intervening Gap (No of Days)
No meetings were eld during the FY 2025-26			

The Composition of the Committee as on March 31, 2026 and the attendance of the members at the Meetings are given at Table 4.

Director (Finance) is a permanent Invitee to the Audit Committee Meetings. Company Secretary acts as a Secretary to the Committee.

Table 4: Composition and Attendance of Members of Audit Committee

Audit Committee Composition

Sl. No.	Name (S/Shri/Dr.)	Designation	Position	Attendance

b. Nomination & Remuneration Committee

Brief Description of Terms of Reference

The Board has constituted a Nomination & Remuneration Committee, which is functioning w.e.f. May 16, 2014 with terms of reference in pursuance to Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 19 read with Part D of Schedule II of SEBI (LODR) Regulations, 2015 and DPE guidelines, issued from time to time, including any statutory modification(s) or re-enactment thereof, for the time being in force.

Composition of the Committee

As per the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee is required to comprise two Independent Directors and one Government Nominee Director, with an Independent Director as its Chairman. However, due to non-availability of the requisite number of Independent Directors on the Board, as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for constitution of the Nomination & Remuneration Committee, the Committee could not be reconstituted. Consequently, no meetings of the Nomination & Remuneration Committee were held during the FY 2025–26.

Meeting and attendance during the year

The total number of Meetings along with the date on which they were held during year are given at table 5 and the composition and attendance of the members is given at Table 6:

Table 5: Nomination and Remuneration Committee Meetings

Sl. No.	Meeting No.	Date of Meeting	Intervening Gap (No of Days)

Table 6: Composition and Attendance of members of Nomination & Remuneration Committee

Sl. No.	Name (S/Shri/Dr.)	Designation	Position	Attendance

Corporate Social Responsibility Committee

In line with Section 135 read with Schedule VII of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 applicable w.e.f. 01-04-2014, the Company has constituted Corporate Social Responsibility (CSR) Committee. The role of the CSR Committee inter-alia includes formulation and recommendation of CSR Policy to the Board; Recommendation of CSR Expenditure, Monitoring & implementation of CSR Projects.

Meeting and attendance during the year

The total number of Meetings along with the date on which they were held during the financial year 2025-26 is given at table 7 and the composition and attendance of the members is given at Table 8 respectively: -

Table 7: Corporate Social Responsibility Committee Meetings

Sl. No.	Meeting No.	Date of Meeting	Intervening Gap
1	36	27.05.2025	NA
2	37	13.08.2025	78

Table 8: Composition and Attendance of members of CSR Committee Meetings

Sl. No.	Name (S/Shri/Dr.)	Designation	Position	Attendance
1	Changdev Sukhdev Kamble*	Independent Director	Member	2/2
2	Ganti Venkat Kiran**	Director (Production and Projects) & Director (Finance)- Addl. Charge	Member	2/2

* Pursuant to Order No. 1/10/2025-BLA dated 15.04.2025 issued by the Ministry of Steel, Shri. Changdev Sukhadev Kamble was reappointed as an Independent Director with effect from 15.04.2025 for a period of one year from the date of issuance of the Order. Accordingly, the committee was reconstituted w.e.f 16.04.2025 with Shri. Changdev Sukhdev Kamble as the Chairperson of the Committee.

**The Ministry of Steel vide its letter no. S-14015/4/2023-BLA dated 19.04.2024 had assigned additional charge of Director (Finance) to Shri Binay Krushna Mahapatra, Director (Commercial) w.e.f. 17.04.2024. Accordingly, he was holding additional charge of the post of Director (Finance) upto 17.04.2025. Thereafter, Shri G.V. Kiran, Director (Production & Projects), was entrusted with the additional charge of Director (Finance) and, accordingly, attended the meeting in both his substantive capacity as Director (Production & Projects) and in the additional charge of Director (Finance).

The committee met two times during the FY 2025-26

Stakeholders Relationship Committee

In pursuance to Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 20 read with Part D of Schedule II of SEBI (LODR) Regulations, 2015, a Stakeholders Relationship (SR) Committee has been constituted by the Board and has been functioning in the Company w.e.f. May 16, 2014. The role of the Stakeholders Relationship Committee inter-alia includes the following:

1. Resolving the grievances of the security holders including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

2. Review of measures taken for effective exercise of voting rights by shareholders.

3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by Registrar & Share Transfer Agent.

4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders.

Meeting and attendance during the year

The total number of Meetings along with the date on which they were held during the financial year 2025-26 is given at table 9 and the composition and attendance of the members is given at Table 10 respectively: -

Table 9: Stakeholders Relationship Committee Meetings

Sl. No.	Meeting No.	Date of Meeting	Intervening Gap
1	7	27/05/2025	NA

Table 10: Composition and Attendance of members of Stakeholders Relationship Committee

Stakeholders Relationship Committee Composition

Sl. No.	Name (S/Shri/Dr.)	Designation	Position	Attendance
1	Changdev Sukkhdev Kamble*	Independent Director	Member	1/1
2	Binay Krushna Mahapatra	Director (Commercial)	Member	1/1
3	Ganti Venkat Kiran	Director (Production and Projects Addl. Charge)	Member	1/1

* Pursuant to Order No. 1/10/2025-BLA dated 15.04.2025 issued by the Ministry of Steel, Shri. Changdev Sukhadev Kamble was reappointed as an Independent Director with effect from 15.04.2025 for a period of one year from the date of issuance of the Order. Accordingly, the committee was reconstituted w.e.f 16.04.2025 with Shri. Changdev Sukhdev Kamble as the Chairperson of the Committee.

Shareholders Grievances

Company Secretary is the Compliance Officer of the Company. There were no grievances from any of the shareholders during the year. Securities and Exchange Board of India (SEBI) has introduced an online compliant redressal system namely SEBI Complaint Redressal System (SCORES) and Online Dispute Resolution Portal (ODR Portal). During the year, no complaint was received through SCORES or ODR Portal.

Risk Management Committee

In pursuance to Regulation 21 of the SEBI (LODR) Regulations, 2015 read with the role and responsibilities specified in Part D of Schedule II of the regulation, a Risk Management Committee has been constituted by the Board and has been functioning in the Company w.e.f. March 26, 2019.

The role of Risk Management Committee is in line with Regulation 21 read with Part D of Schedule II of SEBI (LODR) Regulations, 2015.

Meeting and attendance during the year

The total number of Meetings along with the date on which they were held during the financial year 2025-26 is given at table 11 and the composition and attendance of the members is given at Table 12 respectively:

Table 11: Risk Management Committee Meetings

Sl. No.	Meeting No.	Date of Meeting	Intervening Gap
1	11	13.08.2025	NA
2	12	07.03.2026 adjourned to 04.04.2026*	206

Table 12: Composition and Attendance of members of Risk Management Committee

Sl. No.	Name (S/Shri/Dr.)	Designation	Position	Attendance
1	Changdev Sukhadev Kamble*	Independent Director	Member	2/2
2	Binay Krushna Mahapatra	Director (Commercial)	Member	2/2
3	Ganti Venkat Kiran	Director (Production & Projects)- Addl. Charge & Director (Finance)- Addl. Charge	Member	2/2

*Pursuant to Order No. 1/10/2025-BLA dated 15.04.2025 issued by the Ministry of Steel, Shri. Changdev Sukhadev Kamble was reappointed as an Independent Director with effect from 15.04.2025 for a period of one year from the date of issuance of the Order. Accordingly, the committee was reconstituted w.e.f 16.04.2025 with Shri. Changdev Sukhdev Kamble as the Chairperson of the Committee.

Investment, Project Appraisal & Monitoring (IPAM) Committee

To examine major proposals on investment and monitor the progress of the investments and advise suitability to the Board to take decision(s), an Investment, Project Appraisal & Monitoring (IPAM) Committee has been constituted by the Board w.e.f. May 16, 2014. The role of the Committee inter-alia includes the following:

1. To examine all plan schemes/projects which requires approval of the Board with financial implication of ₹5 crores and more or such other limit as fixed by the Board from time to time.
2. To make preliminary appraisal of the projects identified by the Company for investment and recommend for perusing with the project.
3. To monitor the progress of all major projects and corrective measures to be suggested/ taken to achieve the milestone within approved time and cost.
4. To examine and recommend to the Board for engagement of consultants for the purpose of preparation of feasibility report/DPR.
5. To scrutinize the Feasibility Report/DPR prepared by the Consultants and recommend to the Board for investment.

Meeting and attendance during the year

The total number of Meetings along with the date on which they were held during the financial year 2025-26 is given at table 13 and the composition and attendance of the members is given at Table 14 respectively: -

Table 13: Investment, Project Appraisal & Monitoring Meetings

Sl. No.	Meeting No.	Date of Meeting	Intervening Gap
1	24	13.01.2026	NA
2	25	13.04.2026	90

Table 14: Composition of Investment, Project Appraisal & Monitoring Committee

Sl. No.	Name (S/Shri/Dr.)	Designation	Position	Attendance
1	Changdev Sukhadev Kamble*	Independent Director	Chairperson	2/2
2	Binay Krushna Mahapatra	Director (Commercial)	Member	2/2
3	Ganti Venkat Kiran	Director- (Projects and Production)	Member	2/2

*Pursuant to Order No. 1/10/2025-BLA dated 15.04.2025 issued by the Ministry of Steel, Shri. Changdev Sukhadev Kamble was reappointed as an Independent Director with effect from 15.04.2025 for a period of one year from the date of issuance of the Order. Accordingly, the committee was reconstituted w.e.f 16.04.2025 with Shri. Changdev Sukhdev Kamble as the Chairperson of the Committee.

Committee of Management (CoM)

The Board of Directors, at its 227th Meeting held on 01-05-2014, constituted Committee of Management ("CoM") comprising of Functional Directors headed by the Chairman-cum-Managing Director and entrusted powers for capital expenditure, procurement, sanction of sale of products dealt with by the Company etc for operational requirement subject to the in-principal approval of Board at certain instances.

The Committee met 29 times during the financial year 2025-26 to consider and approve proposals as entrusted to it by the Board.

Separate Meeting of Independent Directors

During FY 2025-26, the Board of KIOCL had only one Independent Director. Accordingly, no separate meeting of Independent Directors could be convened during FY 2025-26, as required under Regulation 25(3) of the SEBI (LODR) Regulations, 2015, Para VII of Schedule IV to the Companies Act, 2013, and the DPE Guidelines, owing to the non-availability of the requisite number of Independent Directors.

The Company has been regularly taking up the matter with the Ministry for appointment of the requisite number of Independent Directors on the Board. Subsequently, the Ministry, vide Order No. 1/1/2025-BLA dated 15.04.2025, reappointed Shri Changdev Sukhadev Kamble as Independent Director for a period of one year from the date of notification of his reappointment.

The Ministry of Corporate Affairs, vide Notification dated 05.07.2017, exempted Government Companies from the applicability of clauses (a) and (b) of sub-paragraph (3) of Paragraph VII of Schedule IV to the Companies Act, 2013, relating to the requirement for Independent Directors, in their separate meeting, to review:

(i) the performance of Non-Independent Directors and the Board as a whole; and

(ii) the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors.

Performance Evaluation Criteria for Independent Directors

Govt. of India, Ministry of Corporate Affairs vide notification dated June 5, 2015 exempted Govt. Companies from the applicability of Section 134(3)(p) of the Companies Act, 2013, which deals with Board's Report to include statement giving manner of annual evaluation by the Board of its performance, and that of its committees and Individual Directors.

Performance Evaluation of the Board Members

Ministry of Corporate Affairs (MCA) vide General Circular dated June 5, 2015 has exempted Government Companies from the provisions of Section 178 (2) which provides about manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance. The aforesaid circular of MCA further exempted listed Govt. Companies from provisions of Section 134 (3) (p) which requires mentioning the manner of formal evaluation of its own performance by the Board and that of its Committees and Individual Director in Board's Report, if Directors are evaluated by the Ministry or Department of the Central Government which is administratively in charge of the Company, or, as the case maybe, the State Government as per its own evaluation methodology. In this regard, Department of Public Enterprise (DPE) has already laid down a mechanism for performance appraisal of all Functional Directors. DPE has also initiated evaluation of Independent Directors.

As the performance of the Company and its Directors is evaluated by the Department of Public Enterprises, the Board has not formulated a separate policy for evaluating the performance of its members. The appointment, remuneration, and other related matters concerning Key Managerial Personnel (KMPs) and Senior Management are governed by the Company's Recruitment and Promotion Rules and related manuals, as approved and amended by the Board from time to time. Accordingly, the Board has adopted these Rules and manuals for matters relating to the appointment and remuneration of KMPs and Senior Management Personnel.

Remuneration to Directors and KMP

Whole-time Directors

Being a CPSE, the appointment, tenure and remuneration of Directors are decided by Government of India. The Government order indicate the detailed terms and conditions of the appointment of Directors, including the period of appointment.

Non-official Part Time Govt. Nominee Directors

Non-official Part Time Government Nominee Directors are neither paid any remuneration nor paid sitting fees for attending Board Meetings. Further, during the year none of the Govt. Nominee Directors had any pecuniary relationship or transactions with the Company.

Independent Directors

Independent Directors were paid sitting fee of ₹ 20,000/- per Meeting of the Board and ₹ 18,000/- per Meeting of the Committee of the Board attended which was within the overall limit prescribed under the Companies Act, 2013 read with Rule 4 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2015 and Regulations 17(6) of the SEBI (LODR) Regulations, 2015. No payment of commission nor any stock option scheme was offered during the year to the Independent Directors.

Table 15: Remuneration / Sitting Fees paid to Directors and KMP:

Sr. No.	Particulars	G.V. Kiran CMD & D (P&P)/ D(F)	B.K.Mahapatra D (C)	Rama Krishna Mishra CFO	Clafton Sidhart Company Secretary	Changdev Sukhadev Kamble Independent Director	Balakrishnan Nair KV Company Secretary Upto April 2025
A	Salary : Under Section 17 (1)	44,22,160.00	56,01,105	46,37,099.00	11,47,110.00		49,023.00
	Short Term Employee benefits						
	Post-employment benefits (Gratuity)						
	Total Salary	44,22,160.00	56,01,105.00	46,37,099.00	11,47,110.00	0.00	49,023.00
B	Value of Perquisites under Section 17(2)	4,39,216.00	5,56,811.00				
C	Sitting fees					2,30,000.00	
D	**Total (A+B+C)**	48,61,376.00	61,57,916.00	46,37,099.00	11,47,110.00	2,30,000.00	49,023.00

Adequacy of Internal Financial Controls w.r.t the Financial Statements

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit (IA) function is well defined. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee. Based on the report of Internal Audit, different departments of the Company undertake corrective actions in their respective areas and thereby strengthening the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Company.

Significant and Material Orders

During the year under review, no orders were passed by the Regulators or Courts or Tribunals that impact the going concern status and Company's operations in future.

Reporting of frauds by Auditors

During the year under review, neither the Statutory Auditors nor the Secretarial Auditor have reported to the Audit Committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its Officers or Employees, the details of which would need to be mentioned in the Board's report.

CEO and CFO Certification

In terms of Regulation 17(8) of Listing Regulations, the Compliance certificate issued by the CEO and CFO on the financial statements and internal controls relating to financial reporting for the year 2025-26 placed before the Board at its 306th Board Meeting held on 13.08.2026. The CEO and CFO certification is appended as an Annexure to this Report.

Review of Compliance of Laws

In terms of Regulation 17(3) of the Listing Regulations, Para 3.3.3 of the DPE Guidelines and applicable provisions of the Companies Act, 2013, the Board reviewed the Compliance reports relating to various laws applicable during the Year.

Disclosure regarding appointment of Directors

The Company has provided brief resume(s) of the Directors seeking appointment at the ensuing Annual General Meeting, in the Notice attached with this Report.

Reconciliation of Share Capital Audit

As required by the Securities and Exchange Board of India (SEBI), quarterly audit of the Company's Share Capital is being carried out by an Independent External Auditor with a view to reconcile total Share Capital admitted with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and held in physical form with the issued and listed capital. The certificate is regularly submitted to the Stock Exchange(s).

General Body Meetings

Locations and Time of last three AGMs & details of special resolution passed:

<table>
<tr><th>Date</th><th>AGM</th><th>Location</th><th>Time</th><th>Special Resolution Passed</th></tr>
<tr><td>29-09-2025</td><td>49th</td><td>KIOCL Limited, II Block Koramangala through VC / OAVM</td><td>11: 00 AM</td><td>One Special resolution was passed</td></tr>
<tr><td>27-09-2024</td><td>48th</td><td rowspan="2">KIOCL Limited, II Block Koramangala through VC / OAVM</td><td rowspan="2">12:00 Noon</td><td rowspan="2">No Special resolution(s) was/were Passed</td></tr>
<tr><td>22-09-2023</td><td>47th</td></tr>
</table>

The 49th AGM was conducted in compliance with Secretarial Standard on General Meeting (SS-2) issued by The Institute of Company Secretaries of India (ICSI).

Details of Special Resolution proposed to be conducted

Three Special Resolution is proposed to be conducted during the 50th AGM. The details of the same is provided in the Notice of 50th AGM, which is annexed to this Annual Report.

Extraordinary General Meeting

During the year under review, no Extraordinary General Meeting was held.

Means of Communication

Quarterly results have been published in prominent daily newspapers as per the requirement on the following dates:

Quarter Ending-	30.06.2025	30.09.2025	31.12.2025	31.03.2026
Published on	16.08.2025	31.10.2025	14.02.2026	29.05.2026
English -	Financial Express	Business Line	Business Line	Business Line
Kannada -	Prajavani	Prajavani	Prajavani	Prajavani

The Quarterly/Annual results are also made available at the website of the Company https://www.kioclltd.in/table.php?id=267.

Notices pertaining to the Annual General Meeting were published in widely circulated English and regional newspapers.

Dividend Payment Date

(a) Considering the losses incurred by the Company, the Board has not recommended any Dividend for the Financial Year 2025-26.

Distribution of Shareholding as on March 31, 2026

No. of shares held	No. of holders	% to holders	No. of Shares	% to equity
1	5061	12.52	5061	0.00
2-10	10884	26.92	63210	0.01
11-50	11884	29.39	346156	0.06
51-100	5195	12.85	438857	0.07
101-200	3284	8.12	516284	0.08
201-500	2484	6.14	844510	0.14
501-1000	918	2.27	716159	0.12
1001-5000	609	1.51	1287803	0.21
5001-10000	69	0.17	454589	0.07
10001 and above	44	0.11	603078467	99.23
Total	40,432	100	607751096	100

General Shareholders Information

Annual General Meeting for the Financial Year 2025-26

Day and Date: Monday, September 29, 2026

Time : 11.00 A.M

Venue : The Company is conducting the AGM through Video Conference / Other Audio-Visual Means (VC/OAVM) pursuant to MCA General Circular No. 20/2020 dated May 5, 2020 read with General Circular No. 03/2025 dated September 22, 2025, and other relevant circulars issued in this regard. For details, please refer to the Notice of this AGM.

Financial Year

The Company's Financial Year is from April 01 to March 31.

Listing Status

Company's Equity Shares are listed on the following stock exchanges

Sl. No.	Stock Exchange	Security Code / Symbol
1.	NSE	KIOCL
2.	BSE	540680 / KIOCL
3.	MSEI	KIOCL

Listing fees to Stock Exchanges and Custodial Fees to Depositories has been paid for the FY 2025-26.

Monthly High & Low prices at NSE & BSE (In ₹)

Month	NSE			BSE		
	High Price	Low Price	Close Price	High Price	Low Price	Close Price
Apr-25	296.95	209.84	251.95	296.95	188.15	253.00
May-25	323.95	229.20	304.55	323.83	229.6	308.35
Jun-25	335.5	280.3	300.15	334.95	280.05	299.50
Jul-25	384.00	285.00	317.90	384.00	284.75	318.05
Aug-25	482.80	317.05	407.40	482.45	317.35	407.95
Sep-25	495.00	406.50	424.45	494.95	406.75	426.45
Oct-25	634.55	419.00	430.75	634.35	420.20	430.60
Nov-25	438.60	332.40	355.35	437.30	332.75	355.45
Dec-25	412.00	322.55	401.55	411.90	323.00	397.50
Jan-26	418.4	331.4	360.85	417.45	331.50	360.90
Feb-26	385.70	329.00	337.35	385.95	328.65	337.50
Mar-26	369.00	290.65	316.90	369.35	290.55	316.55

Registrars and Transfer Agents

M/s Integrated Registry Management Services Private Limited.

Regd. Office: 30, Ramana Residency,

4th Cross, Sampige Road, Malleswaram,

Bengaluru – 560003

Tel. No.: 080-23460815-818

Email id: irg@integratedindia.in

Shareholding Pattern as on March 31, 2026

Category	Number of shares	Shares in demat mode	Shares in Physical mode	% of Shareholding
Central Govt.	601877627	601877627	0	99.03
Mutual Funds/UTI	17	17	0	0
Financial Institutions/Banks	2365	2365	0	0
Foreign Portfolio Investors	2,62,214	2,62,214	0	0.04
Insurance Companies	2,03,319	2,03,319	0	0.03
Bodies Corporate	2,01,743	2,01,443	300	0.03
Resident Indians & others	52,03,811	51,74,085	29,726	0.87
Total	**607751096**	**607721070**	**30,026**	**100**

Top ten equity shareholders (Other Than Promoters) as on March 31, 2026:

Name of the Shareholder	Shareholding at the end of the year	
	No. of Shares	% of total shares of the Company
1 QUADRATURE TRADING VCC - SUB-FUND NO. 1	2,06,707	0.03
2 THE NEW INDIA ASSURANCE COMPANY LIMITED	1,80,569	0.03
3 LALITHA MAHALINGAM	1,24,584	0.02
4 SACHIN PRAKASH JAIN HUF	35,095	0.01
5 ANIL HAJARIMAL JAIN	32,000	0.01
6 GFC SECURITIES AND FINANCE PRIVATE LIMITED	30,200	0
7 PATEL NARESH B	26,800	0
8 INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	24,030	0
9 BABY SACHIN JAIN	22,919	0
10 THE ORIENTAL INSURANCE COMPANY LIMITED	22,750	0

Dematerialization of Shares and Liquidity

The Shares of the Company continue to be an eligible security in dematerialized form by CDSL and NSDL with ISIN No. INE880L01014. As on March 31, 2026, 99.01% of the Company's total paid up capital representing 60,77,21,070 shares were in dematerialized form and balance 30,026 shares were in physical form. To eliminate various risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

Dematerialization of Shares and Liquidity (as on 31-03-2026)

Description	No. of Folios / Holders	No. of Shares	% Of total Equity Capital
CDSL	30496	34,18,369	0.56
NSDL	9729	60,43,02,701	99.43
PHYSICAL	207	30,026	0.01
TOTAL	40,432	60,77,51,096	100

Share transfer /transmission system

SEBI vide circular dated 28-03-2018 has done away with the transfer of securities in physical form w.e.f. 01-04-2019. Accordingly, shareholders, who continue to hold shares of the Company in physical form will not be able to lodge the shares with Company / RTA for further transfer. Therefore, members holding shares in physical form are requested to dematerialize their holdings at the earliest.

Common and Simplified Norms for Processing Investor's service requests

EBI, vide Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, prescribed common and simplified norms for processing investors' service requests by Registrars to an Issue and Share Transfer Agents (RTAs) and for furnishing PAN, KYC details and nomination by holders of physical securities. The relevant details and prescribed forms for availing various investor services are hosted on the Company's website at https://kioclltd.in/data.php?id=68&lang=EN.

Issuance of Securities in dematerialized form in case of Investor Service Requests

SEBI vide its notification no. SEBI/LAD-NRO/GN/2022/66 dated 24-01-2022 and further its circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25-01-2022 had notified with immediate effect that in case of investor's requests with respect to Issue of duplicate securities certificate; Claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement; Sub-division/Splitting of securities certificate; Consolidation of securities certificate/folios; Transmission; Transposition, the Company shall issue the securities in dematerialized form only. The respective form ISR-4 to be submitted by the shareholder for entertaining such requests is hosted at the website of the Company at link https://kioclltd.in/data.php?id=68&lang=EN.

Outstanding GDR/ADR/Warrants

There are no outstanding GDR/ADR/Warrants or any convertible instruments.

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:

Not Applicable, since the Company had no exposure to commodities.

Plant Locations

Pellet Plant Unit and Blast Furnace Unit of the Company are located at Mangaluru in Dakshina Kannada District of Karnataka.

Address for Investor Correspondence

In order to facilitate quick redressal of grievance/queries, the investors and shareholders may contact the Company Secretary at below mentioned address:

Company Secretary

KIOCL Limited,

II Block, Koramangala,

Bengaluru - 560034

Tele/fax: 080-25531525

E-mail: cs@kioclltd.in

NEAPS, BSE Corporate Compliance & my listing Centre:

All periodical compliance filings, inter alia, shareholding pattern, corporate governance report, corporate announcements, amongst others, are filed electronically in accordance with the Listing Regulations with Stock Exchanges. Further, in compliance with the provisions of the Listing Regulations, all the disclosures made to the Stock Exchanges are in a format that allows users to find relevant information easily through a searching tool.

Investor Education & Protection Fund (IEPF)

Pursuant to the applicable provisions of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF, after completion of seven yea₹ Further, according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the Demat account of the IEPF Authority. Accordingly, the Company has transferred the unclaimed and unpaid Dividends amount up to the Financial Year 2016-17 (Interim) and the corresponding shares to the IEPF Authority. The details of shares transferred to the IEPF Authority along with the list of unclaimed / unpaid Dividend is available on Company website at https://kioclltd.in/data.php?id=117&lang=EN. Shareholders are advised to visit the website and claim the unclaimed dividend, if any.

Change in process of claiming shares and dividend from IEPF

IEPF Authority vide its Office Memorandum dated July 20, 2022 has revised the process of claiming the shares and dividends from IEPF Authority, whereby the claimant(s) are now advised to first approach the Company for entitlement letter along with all the required documents before filing of claim application with the IEPF Authority. Once the Company has received and verified all the requisite documents it will then issue an entitlement letter along with all the required details to file web form IEPF-5 within a period of 30 days. The claimant(s) shall thereafter file web form IEPF-5 with the IEPF Authority along with entitlement letter and other supporting documents. The claimant(s) shall then submit the self-attested copy of form IEPF-5, its acknowledgment and duly executed Indemnity Bond in an envelope marked as "Claim for refund from IEPF Authority" at the registered office address of the Company in the name of the "Nodal Officer of the Company", to enable the Company to file the e-verification report of the claim within the prescribed timeline of 30 days. This process will reduce the instance of claim applications being rejected by the Company/IEPF Authority on account of incomplete and/or non-receipt of required documents.

Unclaimed Dividend

Section 124 of the Companies Act, 2013, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016, mandates that companies transfer dividend that has remained unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). The Rules mandate that the shares on which dividend has not been paid or claimed for seven consecutive years or more are to be transferred to the IEPF.

The following table provides a list of years for which unclaimed dividends as on 31-03-2026 and their corresponding shares would become eligible to be transferred to the IEPF on the dates mentioned as:

Dividend for the year	Type of Dividend	Account No.	Dividend per Share (₹)	Date of Declaration	Due date for transfer to IEPF	Unclaimed amount (in ₹)
2018-19	Final	201003694672	1.33	03-09-2019	09-10-2026	56,997.15
2019-20	Final	201004395400	0.70	29-09-2020	04-11-2027	29,376.90
2020-21	Final	201013506064	1.64	15-09-2021	21-10-2028	66,440.24
2021-22	Interim	201014873699	0.98	12-11-2021	18-12-2028	33,809.18
2021-22	Final	201018711537	0.79	17-09-2022	23-10-2029	24,623.67

The Company sends periodic intimation and gives notices in newspapers to the Shareholders concerned, advising them to lodge their claims with respect to unclaimed dividend. Shareholders may note that both the unclaimed dividend and corresponding shares transferred to IEPF can be claimed back from IEPF by making application to the authority by filing Form IEPF-5 online available on website www.iepf.gov.in. The detail procedure to claim refund is available on link https://www.iepf.gov.in/IEPF/corporates.html.

Shares Transferred to IEPF

During the year, the Company no shares were transferred to IEPF Authority.

Nodal Officer to Co-ordinate with IEPF Authority

Company Secretary has been designated as Nodal Officer of KIOCL for the purpose of coordination with IEPF Authority. Contact details of Nodal officer are as follows: Email Id: - cs@kioclltd.in, Tele/fax: -080-25531525.

Participation and voting at 50th AGM

Pursuant to the General Circular No. 03/2025 dated September 22, 2025, issued by the Ministry of Corporate Affairs ("MCA"), read with the relevant circulars issued earlier by the MCA, read with other applicable circulars issued by MCA and SEBI from time to time, the 50th AGM of the Company will be held through video-conferencing and other audio-visual means. The detailed instructions for participation and voting at the Meeting is available in the notice of the 50th AGM.

Resolution passed through Postal Ballot

No resolution was passed through postal ballot during the financial year ended March 31, 2026.

Shareholders Voting

Shareholders are requested to cast their votes on the resolutions mentioned in Notice of the 50th Annual General Meeting of the Company by using any of the following options:

- Voting in advance of the Meeting and during the Meeting-

  Remote e-voting & during the meeting at https://www.evotingindia.com. The Company has engaged CDSL to provide e-voting facility to all the members whose names appear on the register of members as on 20.09.2026.

- **Voting through proxy**

  Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

- **Vote in person at the Meeting**

  Please refer to the Notes section in the Notice for details on admission requirements to attend the Annual General Meeting. MCA vide General Circular No. 03/2025 dated September 22, 2025, has permitted companies to continue to hold their Annual General Meetings through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) until further orders. The AGM shall be conducted in accordance with the applicable provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the applicable circulars issued by MCA and SEBI from time to time, including the provisions relating to remote e-voting and e-voting during the AGM. In view of the aforesaid circulars there will be no voting in person at the Meeting and no physical presence will be required at the AGM.

Financial Calendar for 2026-27 (Tentative)

Quarter ended	Board Meeting Date
1st Quarter ending June 30, 2026	on or before 14-08-2026
2nd Quarter ending September 30, 2026	on or before 13-11-2026
3rd Quarter ending December 31, 2026	on or before 13-02-2027
4th Quarter ending March 31, 2026	on or before 30-05-2027
AGM for the year 2026-27	on or before 30-09-2027

These dates are tentative and subject to change and the last date for submission of the unaudited quarterly and year to date financial results to the Stock Exchange is within forty-five days from end of each quarter (except the last quarter). The last date for submission of the financial results of the last quarter and year ended is within sixty days from the end of the financial year.

Compliance Certificate

As required under Regulation 34(3) and Para E of the Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the certificate from a Practicing Company Secretary pertaining to compliance of conditions of Corporate Governance is annexed with the Directors' Report. The quarterly report on compliance with the Corporate Governance requirements prescribed by DPE is also sent to Administrative Ministry regularly.

Registered Office

KIOCL Limited
II Block, Koramangala,
Bengaluru – 560034, Karnataka
Phone: 080-25531461-466

Credit Ratings

The Credit Ratings obtained during the FY 2025-26 along with the name of Credit Rating Agency are as given hereunder: -

CARE Ratings Limited
Long Term / Short Term Bank Facilities CARE BBB+; Negative / CARE A2

Other Disclosures

Besides the mandatory requirements as mentioned above, the other disclosures as specified in Schedule V(C)(10) of SEBI (LODR) Regulations, 2015 is reproduced below:

Particulars	Details
A. Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large	No transactions were entered into with Related Parties as defined under the Act and Para A of Schedule V of the Listing Regulations, during the Year which attract the provisions of Section 188 of the Act, as such annexure AOC-2 is not furnished.

Particulars	Details
B. Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years	Stock Exchange(s) imposed penalty for non-compliance of Regulation 17(1), of Listing Regulations with regard to composition of the Board for the period from April, 2025 to March, 2026. Issue is regularly placed before the Board, which noted the same and advised to refer to Ministry of Steel, Government of India for filling the vacant post of Independent Directors and seek waiver from Stock Exchange(s) from payment of penalty levied, since the appointment of Directors on the Board of KIOCL is done by the Government of India. Accordingly, the Company is continuously taking up with Ministry of Steel for filling the vacant post of Independent Directors. Further, the Stock Exchanges imposed penalties for non-compliance with Regulations 18, 19, 20 and 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, relating to the composition of the Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Risk Management Committee for the quarter ended June 30, 2025. Penalties were also imposed for non-compliance with Regulations 18 and 19 relating to the composition of the Audit Committee and Nomination and Remuneration Committee for the quarters ended September 30, 2025, December 31, 2025 and March 31, 2026.
C. Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel have been denied access to the audit committee	Whistle Blower Policy duly approved by the Board is hosted on Company website and no personnel have been denied access to the Audit Committee.
D. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements	Complied
E. Web link where policy for determining 'material' subsidiaries is disclosed	Not Applicable
F. Web link where policy on dealing with related party transactions is disclosed	https://kioclltd.in/table.php?id=280&lang=EN
G. Disclosure of commodity price risks and commodity hedging activities.	Not Applicable
H Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).	Not Applicable
I. A certificate from a Company Secretary in Practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority.	Certificate from a Company Secretary in Practice is annexed to the Board's Report.
J. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same shall be disclosed, along with reasons thereof: Provided that the clause shall only apply where recommendation of / submission by the committee is required for the approval of the Board of Directors and shall not apply where prior approval of the relevant committee is required for undertaking any transaction under these Regulations.	Not Applicable

Particulars	Details
K. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.	Total fees paid for all services to the statutory auditors during the FY 2025-26 amounts to ₹ 13.15 Lakhs including reimbursement, audit, taxation and other services fees.
L. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013	Disclosures forms part of the Board's Report.
M Disclosure of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount	Not Applicable. Further, disclosures forms part of the Financial Statements.
N Details of material subsidiaries of the Company	Not Applicable.

Non-Compliance

In pursuance of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company reports non-compliance with Regulation 17(1), Regulation 17(2A), Regulation 18(1), Regulation 19(1) and 19(2) of the SEBI (LODR) Regulations, 2015 during FY 2025-26, owing to non-availability of the requisite number of Independent Directors on the Board up to April 15, 2025.

Further, non-compliance with Regulation 20(2)/(2A) and Regulation 21(2) of the SEBI (LODR) Regulations, 2015 existed up to April 15, 2025, consequent upon the non-constitution/non-reconstitution of the Stakeholders' Relationship Committee and Risk Management Committee. The said Committees were subsequently reconstituted with effect from April 15, 2025.

The extent to which the discretionary requirements specified in Part E of Schedule II have been adopted

Particulars	Details
A. The Board A non-executive chairperson may be entitled to maintain a Chairperson's Office at the listed entity's expense and is also allowed reimbursement of expenses incurred in performance of his duties.	Company is having an Executive Chairman.
B. Shareholder Rights A half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders.	Results are placed on the Company's website and published in leading newspapers. Significant events are placed on the Company's website and also intimated to the stock exchanges for the information of public at large.
C. Modified opinion(s) in Audit Report The listed entity may move towards a regime of financial statements with unmodified audit opinion.	Statutory Auditors have given unmodified opinion on the financial results for the period ended on March 31, 2026 and a declaration to that effect to the Stock Exchange(s) was given while publishing the Annual Audited Financial Results of the Company as per regulation 33(3)(d) of the SEBI (LODR) Regulations, 2015.
D. Separate Posts of Chairperson and Managing Director & CEO The listed entity may appoint separate persons to the post of the Chairperson and the Managing Director or the Chief Executive Officer, such that the Chairperson shall – (a) be a non-executive director; and (b) not be related to the Managing Director or the Chief Executive Officer as per the definition of the term "relative" defined under the Companies Act, 2013.	Ministry of Steel has appointed Chairman-cum-Managing Director and Chief Executive Officer. Further, there is no separate post of Chairperson and Managing Director or Chief Executive Officer.
E. Reporting of Internal Auditor The Internal Auditor may report directly to the Audit Committee.	Internal Auditor reports to the Audit Committee.

COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

Except those non-compliances as observed in the Corporate Governance certificate and in Secretarial Audit Report, the Company has complied with Corporate Governance Requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

However, due to the completion of the tenure of Shri Changdev Sukhadev Kamble and Dr. Usha Narayan as Independent Directors w.e.f. 31.10.2024, the Company was not compliant with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, relating to the composition of the Board of Directors. Consequently, the Company could not reconstitute the Audit Committee and Nomination and Remuneration Committee due to non-availability of the requisite number of Independent Directors on the Board. The Risk Management Committee and Stakeholders' Relationship Committee were subsequently reconstituted w.e.f. 15.04.2025 upon appointment of the requisite Independent Director. Accordingly, the Company was non-compliant with the applicable provisions of Regulations 17, 18 and 19 of the SEBI (LODR) Regulations, 2015 for the relevant period. Further, the Corporate Social Responsibility Committee could not be reconstituted during the financial year due to the non-availability of the requisite number of Independent Directors.

The Company has been consistently requesting the Ministry to appoint the requisite Independent Directors in order to rectify the ongoing non-compliances. The Ministry of Steel, vide Order No. 1/1/2026-BLA dated 14.07.2026, appointed Shri Subhash Chandra Saraf, Shri Avtar Singh and Shri Rakesh Modi as Independent Directors on the Board of the Company with effect from 14.07.2026. Consequent upon the appointment of the aforesaid Independent Directors, the Company is presently compliant with the applicable provisions of Regulations 17 to 27 of the SEBI (LODR) Regulations, 2015, except for the requirement relating to the appointment of a woman Independent Director under Regulation 17(1)(a), which is pending appointment by the Ministry of Steel.

Management discussion and analysis report

Indian Economic Overview:

Despite shifting global trade policies, India is still the world's fastest-growing major economy. The country's GDP is forecast to grow at 6.5% during FY26, as it did in FY25, reflecting its domestically driven nature. A favorable monsoon season, low crude oil prices and reduced interest rates will support Indian growth; however, downside risks are on the horizon. The direct and indirect impacts of tariffs alongside declining growth in trade destinations will test India's economic resilience.

The Indian economic growth outlook marks a return to a pre-pandemic trend. The economy in India grew 6.6% annually in the decade preceding calendar year 2020. This was followed by above-average growth of 8.8% between fiscal years 2022 and 2024, driven by a low base effect and investment-led stimulus from the government. Rising interest rates, fueled by high inflation in India and normalized fiscal spending, led to a moderation in economic growth.

Comparing Indian economic growth performance with that of advanced economies shows that while past external shocks have caused short-term challenges, they have not derailed long-term growth. Importantly, India has enhanced its economic growth advantage over developed countries by pursuing reforms, infrastructure development and process improvements.

However, while domestic factors largely drive the Indian economy, its exposure to advanced economies through trade and capital flows is increasing its short-term vulnerability to global economic disruptions. As exports and financial flows grow as a percentage of India's GDP, so will the impact of international factors. For fiscal 2025, India's exports accounted for 21.2% of its GDP, while financial flows were 28.5%. For fiscal 2002, these numbers were 12.6% and 8.9%, respectively. The significant shift in the global trade landscape in fiscal 2026 will test India's economic resilience, particularly due to the direct and indirect effects of imposed tariffs.

The impact on exports will become clear only after a new India-US trade agreement is completed, both in terms of the tariff rate on India and the relative competitive advantage or disadvantage this could give the country compared with regional peers such as Vietnam, Thailand, South Korea and Japan, which have already secured agreements. As things stand, US tariffs will make Indian goods more expensive in the US market.

The monsoon season and crude oil prices have been favorable in 2025. Abundant rainfall is expected to improve agricultural output and help maintain momentum in the rural economy, keeping food inflation in check. As inflation softens, this should support urban consumption, which has yet to show signs of a decisive lift. While consumption in rural areas continues to exhibit robust growth, urban consumption is comparatively subdued. The income tax cuts announced in the budget, effective this fiscal year, should bolster this. The proposed goods and services tax rationalization could help bring down inflation and support private consumption. A sharp drop in food inflation would also improve the discretionary spending of lower-income groups in urban and rural areas (Crisil, an S&P Global company)

Outlook and way forward:

The FY26 was an unusually challenging year for the economy on the external front. Heightened uncertainty in global trade and the imposition of high, penal tariffs created stress for manufacturers, particularly exporters, and affected business confidence. The government responded by using this crisis as an opportunity to push through key measures such as GST rationalization, faster progress on deregulation, and further simplification of compliance requirements across sectors. FY27 is therefore expected to be a year of adjustment, as firms and households adapt to these changes, with domestic demand and investment gaining strength. The outlook for the global economy remains dim over the medium-term, with downside risks dominating. At the global level, growth is expected to remain modest, leading to broadly stable commodity price trends. Inflation across economies has trended downward, and monetary policies are therefore expected to become more accommodative and supportive of growth. However, certain key risks persist. If the AI boom fails to deliver the anticipated productivity gains, it could trigger a correction in overly optimistic asset valuations, with the potential for broader financial contagion. Additionally, a protraction of trade conflicts would weigh on investment and further weaken the global growth outlook. These forces collectively suggest that downside risks to global growth remain prominent, although a fragile stability holds for now. For India, these global conditions translate into external uncertainties rather than immediate macroeconomic stress. Slower growth in key trading partners, tariff induced disruptions to trade and volatility in capital flows could intermittently weigh on exports and investor sentiment. At the same time, ongoing trade negotiations with the United States are expected to conclude during the year, which could help reduce uncertainty on the external front. While these risks remain manageable, they reinforce the importance of maintaining adequate buffers and policy credibility. Against this backdrop, the domestic economy remains on a stable footing. Inflation has moderated to historically low levels, although some firming is expected to occur going forward. Balance sheets across households, firms and banks are healthier, and public investment continues to support activity. With domestic drivers playing a dominant role and macroeconomic stability well anchored, the balance of risks around growth remains broadly even. Taking these considerations together, the Economic Survey projects real GDP growth in FY27 in the range of 6.8 to 7.2 per cent. The outlook, therefore, is one of steady growth amid global uncertainty, requiring caution, but not pessimism (Economic Survey 2025-26).

Impact of Middle East Crisis:

India is no stranger to the economic fallout of major geopolitical events — be it the Russia-Ukraine war, Trump's 'reciprocal tariffs', China's rare-earth blockade, or indeed its own military standoff with Pakistan last year. However, the US-Israel-Iran conflict feels closer, even though India is not even a party to it. Just days in, it already started affecting the everyday life of Indians, most visibly in their kitchens. The disruption traces back to the Strait of Hormuz, a narrow passage that carries a large share of the world's energy supplies and is now effectively shut. For a country that gets around 90% of its LPG imports through the strait, the impact has been immediate. The route also accounts for 54% of its crude oil and 60% of its liquefied natural gas imports.

With so much of the country's energy lifeline tied to a single chokepoint, the disruption has manifested itself in the lives of ordinary Indians in the form of longer, uncertain waiting times for domestic cooking gas, and restaurants that have shut down due to lack of fuel. If constraints persist, economists warn that difficult choices will have to be made over how limited supplies are allocated between households and commercial users. The instinct may be to prioritize households, given the immediate impact on daily life. But a sustained squeeze on restaurants and firms would come at a greater cost. If businesses are deprived of LPG and gas for long enough, production and employment will begin to suffer, with the effects eventually circling back to households themselves.

Given India's limited diplomatic success in persuading Iran to let her ships pass through, experts suggest that a meaningful way to cushion these disruptions is to scale up domestic capacity. That would mean boosting the domestic production of LPG, as well as those of alternatives like induction stoves. This can be done in a fashion similar to how the government subsidized the manufacturing of personal protective equipment in the early days of the pandemic. Nonetheless, if the conflict drags on longer than initially expected, the Indian economy is likely to face far deeper shocks in 2026 than it did last year, largely because the pressures are now layered and reinforcing each other (BE/ET/ News articles).

Industry Scenario:

The global steel industry is navigating a challenging phase of overcapacity and slowing demand, with production hitting 1,849.40 million tonnes in 2025. While China's demand cools, India is emerging as a primary growth driver. Key drivers include infrastructure modernization, green transition investments, and strong demand from emerging economies like India. However, the sector faces challenges from weakening Chinese demand and rising protectionism.

As per the World Steel Association (WSA) Short Range Outlook (SRO) report for 2026 and 2027, a gradual recovery in global steel demand is expected after a prolonged period of structural adjustment. Global steel demand is forecast to grow by 0.3% y-o-y in 2026 to reach 1,724 million tonnes (mnt), before accelerating to 2.2% in 2027, lifting demand to 1,762 mnt. India will remain the fastest-growing major steel market, with demand projected to rise 7.4% in 2026 and 9.2% in 2027. Growth is driven by strong infrastructure activity, a robust automotive sector, rising capital expenditure, rail expansion, and steady consumer demand. China steel demand contraction is expected to moderate to -1.5% in 2026, as the housing sector downturn nears its bottom. Infrastructure investment is likely to provide support, while manufacturing demand remains relatively resilient, aided by exports. However, rising global trade pressures pose downside risks. Demand is expected to stabilise in 2027 as the real estate correction runs its course. The Middle East conflict continues to pose a major uncertainty and is expected to significantly reduce regional demand in 2026, reversing earlier growth expectations. Steel demand excluding China is projected to grow by 5.1% in 2027, highlighting a gradual shift in global demand dynamics, with emerging markets playing an increasingly important role (WSA).

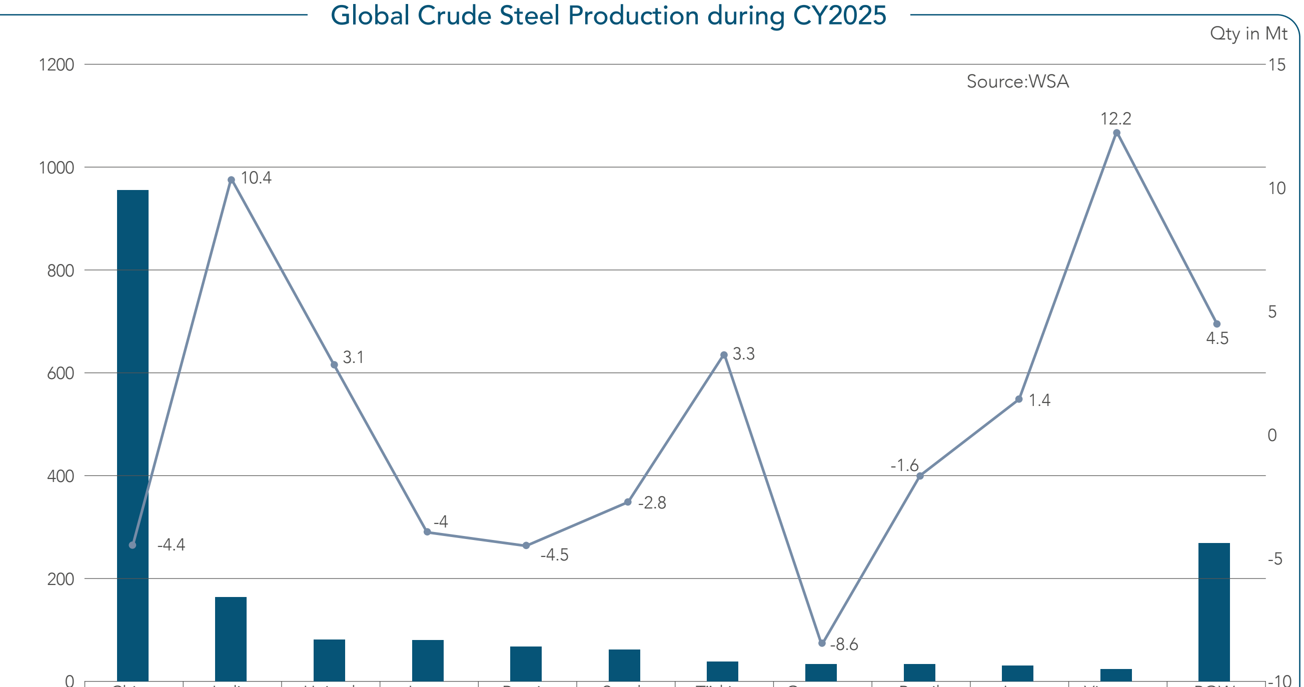
Steelmaking capacity is expected to rise for a seventh consecutive year, reaching 2.55 billion metric tons by 2026, according to the latest Organization for Economic Cooperation and Development steel report. Planned additions in Asia and the Middle East are expected to bring an additional 109 million mt of new capacity by 2028, reinforcing the world's structural overcapacity (BE/ET/ News articles).

India's Steel Growth: The New Global Powerhouse:

Over the next ten years, India will reshape the world's iron ore and steel markets. From about 25 mt in 2000 to about 165 mt in 2025, India's steel production has increased dramatically. India, the second-largest producer of steel in the world, plans to increase production to about 230 mt by 2030 and nearly double capacity to 300 mt. By 2030, China's steel production is predicted to drop by about 77 million tonnes (mt), making India the primary growth engine. During that time, India will be responsible for almost 85% of the growth in global steel output. China's anticipated decline in steel output will be substantially offset by this 130 mt increase over the next six years. However, the iron ore industry in India has a unique profile, with large reserves, rising demand, changing cost structures, and substantial infrastructure and regulatory obstacles.

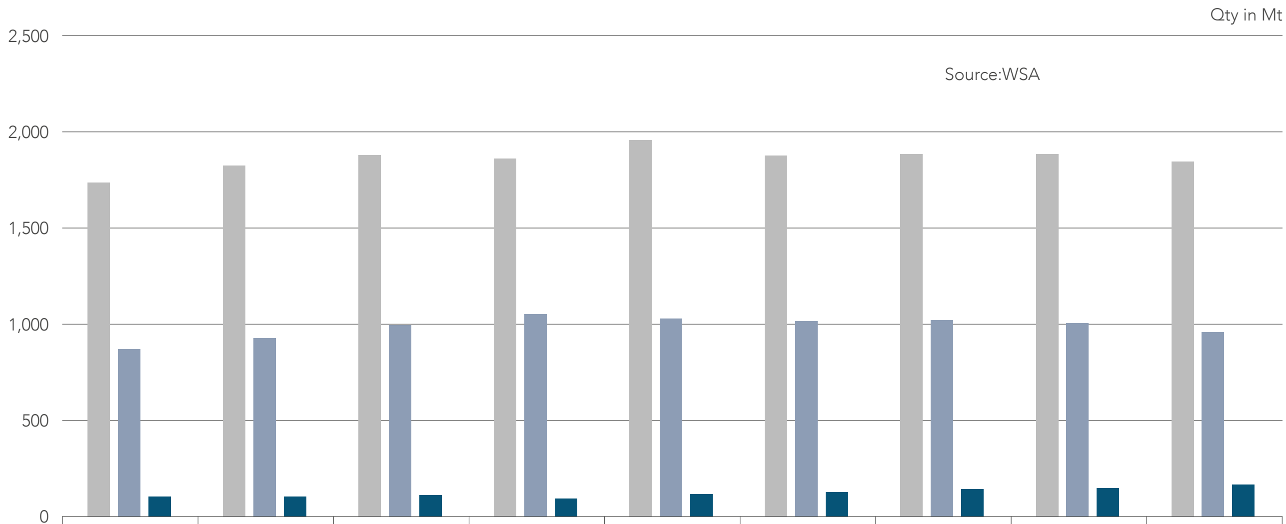
The government aims to continue its steel capacity goals beyond 2030 and is eyeing 500 million mt/year by 2047, with the ambition to promote the adoption of clean steelmaking technologies, which will leverage Europe's Carbon Border Adjustment Mechanism. The strength of domestic markets will all depend on the export volumes. With aggressive capacity expansion in India, mills will have to ship out the excessive quantities to hold the domestic market stable. Meanwhile, China is contending with a steel surplus exacerbated by poor domestic demand and minimal efforts to reduce capacity. China's steel exports appear poised to set a record in 2025, continuing a trend of exporting in a bid to prevent inventory buildup. As a result, protectionism is likely to grow as countries with domestic steel industries implement antidumping duties and seldom-used safeguards. Steel overcapacity could lead to severe competition, adding that China's neighbors are the first to face the brunt of any export surge, and that US tariffs will result in trade diversions and circumvention of existing protectionist measures (Big Mint).

Global Crude Steel Production during CY2025



	China	India	United States	Japan	Russia	South Korea	Türkiye	Germany	Brazil	Iran	Vietnam	ROW
● Production - Mt.	960.8	164.9	82	80.7	67.8	61.9	38.1	34.1	33.3	31.8	24.7	269.3
— Production - Mt.	-4.4	10.4	3.1	-4	-4.5	-2.8	3.3	-8.6	-1.6	1.4	12.2	4.5

Global & India Steel Scenario



	2017	2018	2019	2020	2021	2022	2023	2024	2025
World	1,734.90	1,825.60	1,880.10	1,864.00	1,953.30	1,878.50	1,888.20	1,886.80	1,849.40
China	870.90	928.30	1,001.30	1,053.00	1,032.79	1,013.00	1,019.10	1,005.10	960.80
India	101.37	106.50	111.40	99.60	118.20	124.70	140.20	149.40	164.90

Iron Ore Demand and Supply: India’s Self-Sufficiency Strategy:

China's significant reliance on imports stands in stark contrast to India's iron ore market. India has been mostly self-sufficient since 2017. An additional 29 bt of resources offer strong long-term potential, while proven and probable reserves range between 5.5 and 6.4 bt, or about 3% of the global total.

Due to regulatory changes like open mine auctions and increased participation from major steel producers, iron ore production has increased at a projected 8% CAGR since 2015, outpacing steel production. By 2030, India wants to increase its iron ore production by about 100 metric tons to 385 metric tons, which would be a little more than the 80 metric tons that have been increased over the previous six years.

The emergence of India as the primary force behind the expansion of the global steel industry offers a singular prospect that will transform commodity markets. Strong growth potential is supported by its extensive iron ore reserves and self-sufficiency plan. However, there are actual risks associated with ore quality decline, regulatory delays, infrastructure gaps, and financial strains. The cost structure of iron ore in India is intricate and significantly impacted by logistics. The average cost of mining is about ₹550/- per ton ($6/- per ton), but inland transportation adds ₹ 1,200 to ₹ 2,800/- per tons ($12 to $30 per ton) because many mines are located far from ports.

India's iron ore imports set to hit 7-year high in 2025–2026:

India's imports of iron ore, a key raw material in steelmaking, rose to a seven-year high in the fiscal year ending on March 31, driven by a shortage of high-grade ore and demand from JSW Steel. Overall imports reached about 11 million metric tons in 2025-26, up by about 83% from a year earlier more than doubling from a year earlier. JSW Steel, India's biggest steelmaker by capacity, was a key driver of iron ore imports for its mills in the western state of Maharashtra and the southern state of Karnataka. The bulk of India's iron ore imports in the fiscal year originated from Brazil and Oman, which together accounted for about 70% of total shipments.

Iron ore output in India, the world's second-largest crude steel producer, is expected to reach 310 million tons in the 2025–26 fiscal year, up from 289 million metric tons a year earlier. But exports of iron ore are expected to reach 22 million metric tons in 2025-26, down by about 8% from a year earlier, with 85% of shipments going to China. India mainly exports low-grade iron ore that is generally not used by steel mills in the country.

Iron Ore Pellets:

The growing significance of pellets in India's iron making industry is evident in the increasing share of pellets in both hot metal production and direct reduced iron (DRI) making. The share of pellets in hot metal production has risen substantially from 31% to 41%, reflecting their growing role in the blast furnace process. Similarly, the share of pellets in DRI making now accounts for 41-61 mnt, indicating a marked shift towards higher-quality and grades of iron ore pellets by the sponge iron sector. This trend highlights the importance of pellets as a key raw material in meeting the evolving demands of India's iron and steel industry, driven by the need for cleaner, more efficient production methods.

India's iron ore pellet making capacity is experiencing a significant surge, driven by the rapid expansion of its steel industry, a shift toward cleaner steelmaking technologies, and the need to utilize low-grade iron ore fines. As of mid-2025, India’s total design capacity for iron ore pellets has risen to approximately 164–165 million tonnes (mnt) per annum, up from 148 mnt in FY24. With gradual growth in capacity enhancement, India's pellet production is poised for sustained growth. However, capacity utilization in the country's pellet sector languishing below 70% remains a concern. (S& P Global/Euro metal/ big mint).

Regional Analysis of Iron Ore Pellets Market:

The Asia-Pacific region dominates the Iron Ore Pellets Market, driven by China's massive steel industry, which accounts for over 50% of global consumption. India is rapidly expanding its pelletizing capacity to meet domestic steel demand, supported by government initiatives promoting infrastructure development. The region benefits from abundant raw materials, technological adoption, and supportive policies, but faces challenges related to environmental regulations and supply chain logistics.

Europe presents a mature market with high-quality standards and a focus on sustainable production, leading to increased adoption of low-carbon pellets and innovative technologies. North America's market is characterized by a mix of mature steel producers and emerging green initiatives, with a focus on automation and environmental compliance. Latin America offers growth potential due to expanding mining activities and infrastructure projects, while the Middle East & Africa are emerging markets driven by industrialization and resource diversification. Regional variations in economic conditions, regulatory frameworks, and technological readiness shape the demand and competitive landscape, with Asia-Pacific expected to sustain the highest growth trajectory through 2033(Stratexf Solutions/WSA).

Future Outlook 2026-2033:

The Iron Ore Pellets Market is poised for sustained growth driven by global steel demand, technological innovation, and sustainability imperatives. The long-term trajectory indicates a CAGR of approximately 4.5%, with emerging markets and green pellet technologies leading the charge. Disruptive innovations such as hydrogen-based pelletizing and AI-driven supply chain management will redefine operational paradigms. Customer preferences are shifting towards higher-quality, environmentally friendly products, prompting industry players to invest heavily in R&D and sustainable practices. Regional dynamics will evolve, with Asia-Pacific maintaining dominance while Europe and North America accelerate adoption of low-carbon solutions. Strategic alliances, digital transformation, and resource optimization will be key to capturing emerging opportunities and mitigating risks in this evolving landscape (Stratexf Solutions).

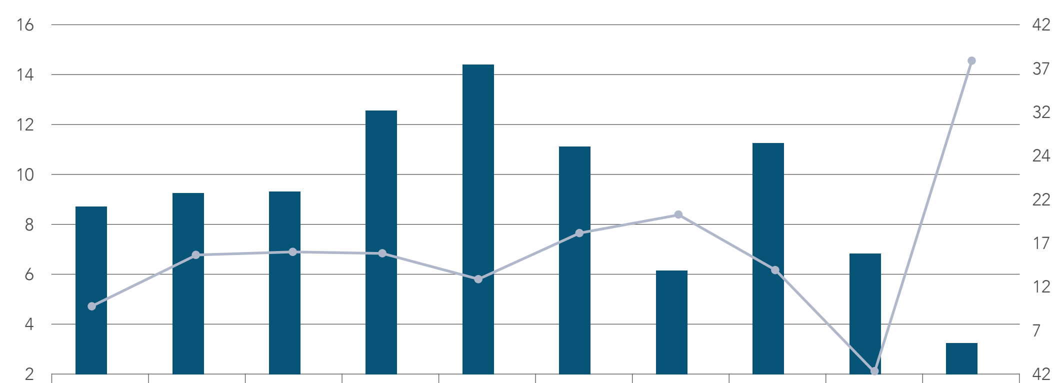
The global iron ore pellets market size is likely to be valued at US$ 71.4 Bn in 2025 and is expected to reach US$ 105.3 Bn growing at a CAGR of 5.7% during the forecast period from 2025 to 2032.

Pellet production plays a central role in the future of global DRI growth. DRI plants require DR-grade pellets with over 67% Fe and under 2% gangue, making these pellets essential for both gas-based and hydrogen-based DRI technologies Since 2016, DRI output has grown at nearly eight million tonnes per year, reaching 130–135 Mt in 2023, and could rise to 185–190 Mt by 2030. Every tonne depends on stable and high-quality pellet supply. Companies such as Vale are already setting up regional pellet hubs to address rising demand across multiple DRI sites.

Hydrogen-based projects such as H2 Green Steel and HYBRIT plan to produce over 5 Mt of green steel annually by 2030, using only DR-grade pellets as feedstock. These efforts underline the strategic need for reliable pellet supply chains. Any drop in pellet quality or availability could disrupt DRI timelines and efficiency. Sustained global steel production over 1,700 Mt across the top 15 nations directly reinforces the requirement for consistent pellet production, positioning it as the backbone of decarbonized steelmaking (Metals & Minerals).

Pellet Exports from India stood at about 3.30 million tons during 2025-26 as against 6.90 million tons in the previous year, down by about 52 % on Year – on -Year. Pellet Exports from KIOCL (NMDC Converted Pellets) stood at about 1.24 million tons during 2025-26 KIOCL's market share in export of pellets from India is given in the following graph:

KIOCL Market Share in Export of Iron ore pellets from India



	2016-17	2017-18	2018-19	2019-20	2020-20	2021-22	2022-23	2023-24	2024-25	
Export-India	8.82	9.31	9.36	12.62	14.46	11.14	6.26	11.3	6.9	3.3
KIOCL- Export	0.9	1.46	1.52	1.99	1.84	2.03	1.27	1.59	0.16	1.24
KIOCL Market share	10.20	15.68	16.24	15.77	12.72	18.22	20.29	14.07	2.25	37.76

Marketing Efforts Made:

Expansion of Customer Base:

Efforts have been made to expand the customer base to de-risk our business only to a limited extent. During FY: 2025-26, a total of 07 new customers were added to the list.

Floating of Pellet sales tender in KIOCL SRM (SAP) Portal in place of MSTC:

KIOCL pellet Sale tenders were being conducted through MSTC. The requirements of MSTC were very stringent and many of our Overseas customers were facing difficulties in participating in the tender. The customers' grievances were also not addressed promptly by MSTC. With proactive measure, the SRM Portal which is part of SAP S/4 HANA ERP system, has been used for conducting tenders for sale of iron ore pellets for ease of operation and also better participation by our registered customers, w.e.f., 01.04.2024.

Exit from EoU scheme:

KIOCL being an EoU, NMDC was not allowed to sell pellets produced under job work arrangement with KIOCL in the domestic market and to RINL. To facilitate NMDC to sell converted pellets in the domestic market in view of reduced realization in the export market, KIOCL with the guidance of Ministry has exited from its EoU status, w.e.f., 07.05. 2025.This has facilitated NMDC to sell converted pellets to RINL to meet its Blast Furnace Operations. During the FY: 2025-26, a total of 25 shipments of quantity 13,36,938 MT of pellets were shipped to RINL by NMDC post exit from EOU Status.

During the FY: 2025-26, NMDC sold 1,92,154 DMT of pellets in the domestic market to KIOCL empaneled customers in Chennai and Kutch in the state of Gujarat through 4 coastal shipments.

Operation of Pellet Plant on Conversion basis with NMDC:

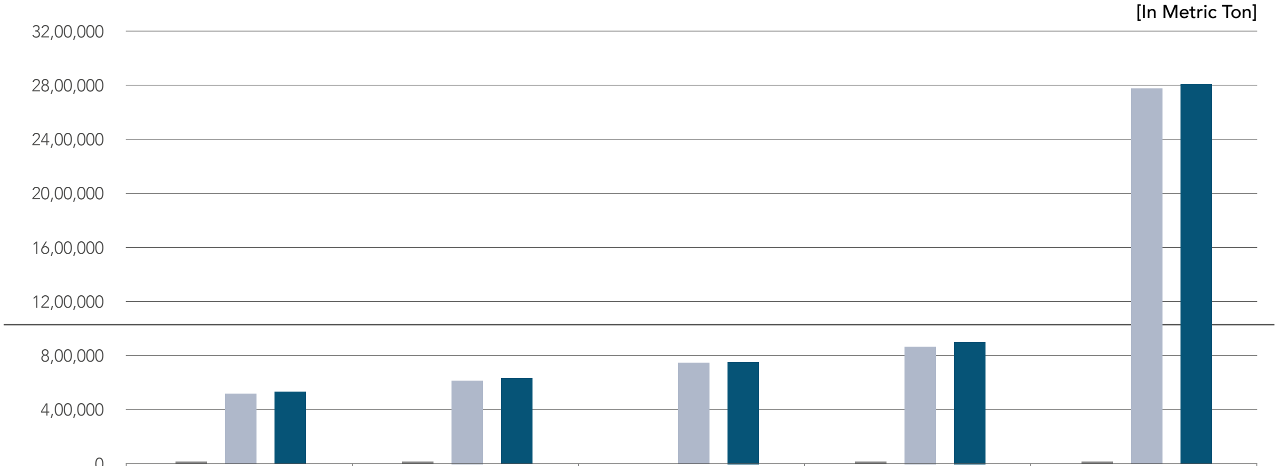
KIOCL has entered into a job work agreement with NMDC on 29.11.2024 for conversion of Iron ore fines into pellets for a quantity of 1.10 million Tons of Iron ore fines.

With continuous follow up and co-ordination with NMDC, the period of Conversion and Marketing & Sale Agreement was extended for a further period of one more year, i.e., from 29.11.2024 to 28.11.2026. The matter as pursued with a request to enhance the quantity so that continuity in production and sale of pellets is maintained for the extended period of agreements. As a result, NMDC has enhanced IOF supply quantity of Conversion Agreement by 2.42 million WMT, i.e., from 3.30 million WMT to 5.72 million WMT and Marketing & Sale quantity of Marketing & Sale agreement by 2.20 million DMT, i.e., from 3.0 million DMT to 5.20 million DMT.

During the FY:2025-26, sale quantity of NMDC Converted pellets was 27.71 million tons through 53 shipments. The cumulative sale of NMDC converted pellets was 3.25 million tons through 62 shipments. The pellet sale quantity of 27.71 million tons was the highest quantity sold post closure of KIOCL Captive Mine at Kudremukh, w.e.f., 01.01. 2006.The details are given below:

PHYSICAL PERFORMANCE DESPATCH: FY:2025-26

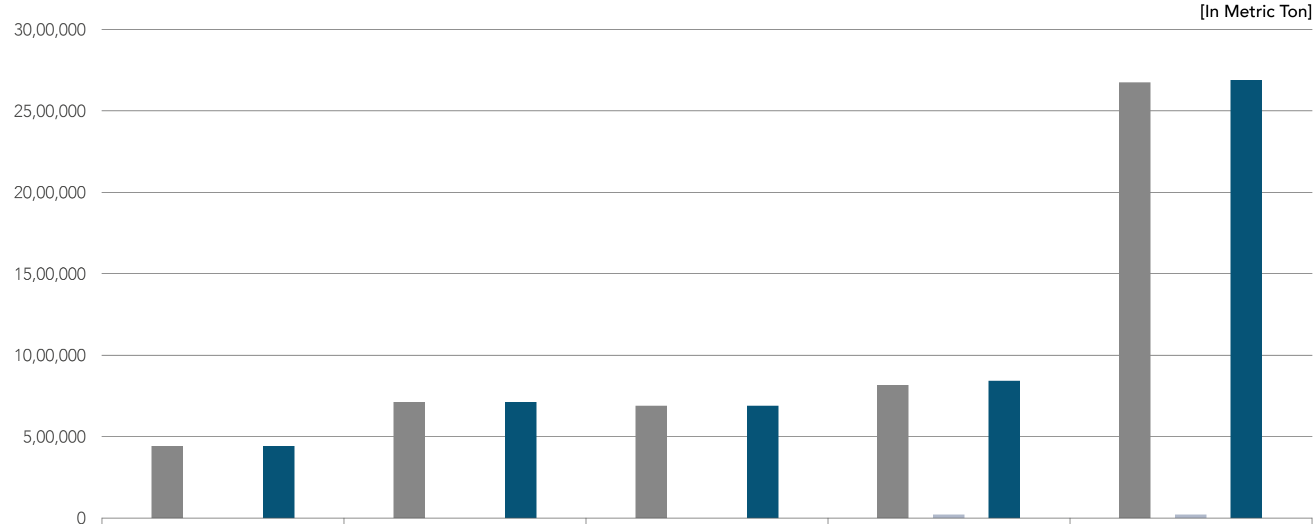
[In Metric Ton]



	Quarter -I	Quarter -II	Quarter -III	Quarter -IV	Total
KIOCL	11,689	3,241	0	21,597	36,527
NMDC	5,22,660	6,24,512	7,50,016	8,74,222	27,71,410
TOTAL	5,34,349	6,27,753	7,50,016	8,95,820	28,07,938

PHYSICAL PERFORMANC- DESPATCH: FY:2025-26

[In Metric Ton]



	Quarter -I	Quarter -II	Quarter -III	Quarter -IV	Total
NMDC	4,49,400	7,13,000	6,87,800	8,22,800	26,73,000
KIOCL				22,000	22,000
Total	4,49,400	7,13,000	6,87,800	8,44,800	26,95,000

Long Term Tendering (Issuing Single tender for both IOF & IOP shipments with Multiple Laycans):

Considering the IOF movement from Adani Gangavaram Port Limited (AGPL) to New Mangalore Port Authority (NMPA) and Pellet from NMPA to AGPL, in a single tender, IOF and IOP shipments with distinct lay can are floated in order to give a complete shipping schedule to the bidders through a single tendering process so that most competitive bids can be obtained.

The above initiative was successful in reducing the logistics cost. Issuing of Multiple laycan tender for coastal shipment has resulted in savings in ocean freight w.r.t single laycan tender at ₹ 19.44 Lakh per IOF shipments and ₹ 28.64 Lakh per IOP shipments.

SWOT ANALYSIS

In the ever-changing business environment, your Company has identified the following Strengths, Weakness, Opportunities and Threats:

STRENGTHS

- Niche Expertise

  Expertise in handling iron ore from different sources (Magnetite/ Hematite) with different ore characteristics in pellet making.
- Expertise in Mining, Beneficiation, Pelletization & Exploration
- Material Handling advantage Proximity to National Highway, Railway line & Port, Shore based Plant with dedicated berth & mechanical ship loading facility.
- Qualified, skilled and experienced manpower.
- Well defined HR policies.
- Authorized Economic Operator Export Oriented Unit
- Strong environmental and social commitment
- Committed Management team with high professional acumen
- Risk Management Plan and its mitigation in place

WEAKNESS

- Raw Material Sourcing
- Lack of an operative captive mine since 2006.
- Due to high basic price and stiff competition, uneconomical to procure IOF from Karnataka through e-auction.
- Plant located away from mine head as well as domestic consumer locations.
- High logistics cost for transportation of Iron Ore Fines.
- Restricted to produce only BF Grade Pellets due to non-availability of high-grade ore indigenously and absence of beneficiation facilities.
- Single product portfolio since BFU operation is suspended.

- Lack of forward or backward integration for its Blast Furnace Unit.
- Non availability of deep draft berths/facilities to handle cape size vessels.

OPPORTUNITIES

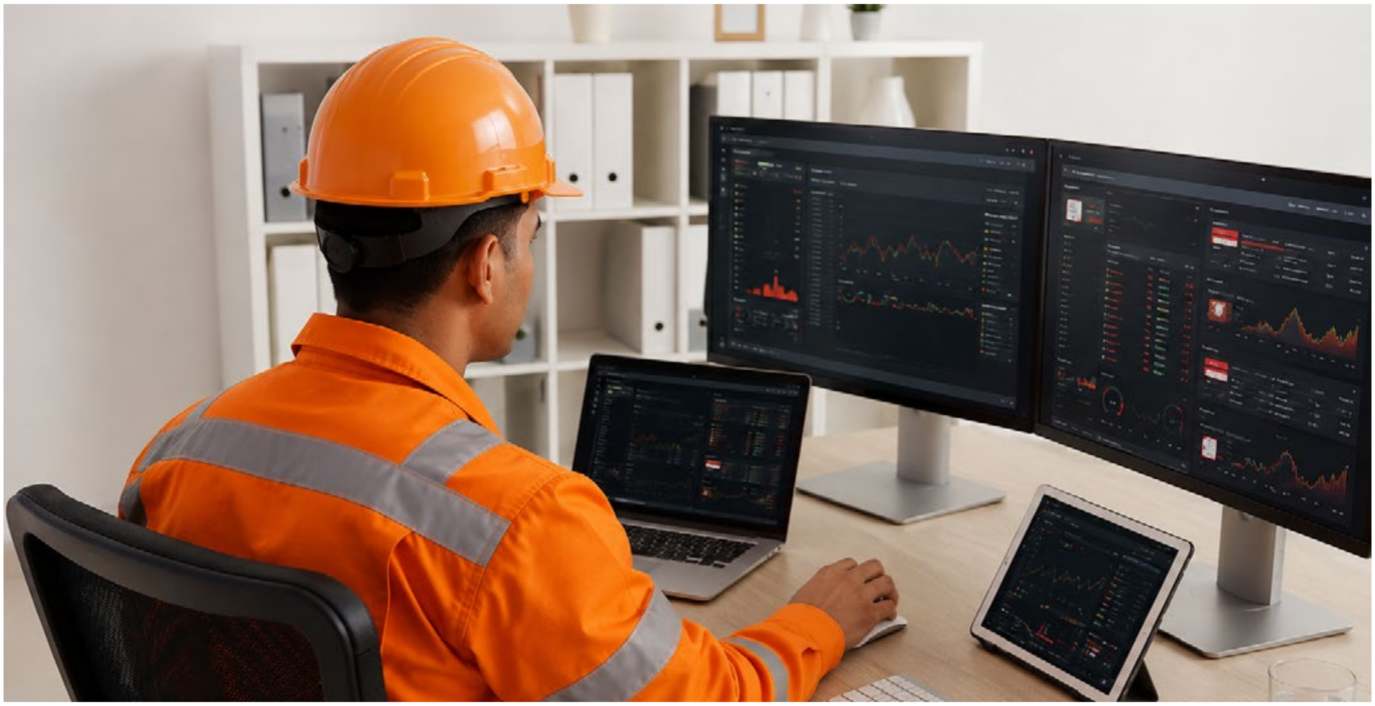
- Anticipated strong growth in the Indian Steel Industry driven by the Govt.'s focus on manufacturing and infrastructure.
- Production-linked incentive for steel manufacturing.
- Sustained Demand for value added products like Pellet, DISP etc.
- Potential growth through JVs with other steel majors in India and overseas.
- Best located for serving Steel plants in Middle East, China under Make in India.

THREATS

- Change in Govt. of India policy on export duty on pellets.
- Fluctuations in IOF price due to monthly pricing under LTC with NMDC.
- Severe competition in the Pellet Industry.
- Commissioning of captive pellet plants by all integrated steel plants.
- Inflow of Pellet and high-grade lump from overseas at lower rates.
- Constrained development due to continuation of policy, regulatory and environmental limitations.
- Volatility in raw material prices on account of policy and regulatory actions.
- Threat of substitute's viz, use of sinter or lumps in place of Pellets.
- Highly dependent on China for selling of Pellets.

INTERNAL CONTROL SYSTEMS

The Risk Based Internal Audit (RBIA) is in place in the Company since 2011. It helps to strengthen the Internal Control Systems of the Company which is very important to ensure compliance of audit related regulatory guidelines, to bring the desired improvement and give timely feedback to the Top Management for taking-up immediate corrective steps. The report of Internal Auditor is placed before the Audit Committee on quarterly basis. Despite the reappointment of Shri Changdev S. Kamble as Independent Director with effect from April 15, 2025, the Audit Committee could not be reconstituted due to the non-availability of the requisite number of Independent Directors on the Board, as prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Hence, the report was placed directly at the Board Meeting.



KEY FINANCIAL RATIOS:

Sl No.	Particulars	FY 2024-25	FY 2025-26	% Variance	Reason for variance
1.	Current Ratio (in times)	3.56	3.38	-4.99%	
2.	Debt - Equity Ratio (in times)	0.00	0.00	0.00%	
3.	Debt Service Coverage Ratio (in times)	(8.70)	4.10	147.19%	Reduction in operating loss during the year.
4.	Return on Equity Ratio (in %)	(11.27%)	0.96%	108.53%	Reduction in operating loss during the year.
5.	Inventory Turnover Ratio (in times)	1.66	0.29	-82.69%	Decrease in revenue from sale of products.
6.	Trade receivables turnover ratio (in times)	25.00	19.70	-21.17%	
7.	Trade payables turnover ratio (in times)	0.63	0.57	-10.61%	
8.	Net Capital Turnover Ratio (in times)	0.65	0.76	16.65%	
9.	Net Profit Ratio (in %)	(34.64 %)	2.70%	107.79%	Reduction in operating loss during the year.
10.	Return on Capital Employed (in %)	(16.21%)	2.24%	113.79%	Reduction in operating loss during the year.
11.	Return on Investment- Liquid Mutual Fund (in %)	7.17%	6.29%	-12.27%	

DETAILS OF ANY CHANGE IN RETURN ON NET WORTH

The return on Average Net-worth during the year was 0.096 % as compared to -11.27% during the previous year.

FUTURE OUTLOOK

The following projects are in different stages of implementation: -

DEVELOPMENT OF DEVADARI IRON ORE BLOCK

Brief	• Develop Iron Ore Mine of capacity 2.0 MTPA. • Set up 2.0 MTPA capacity Beneficiation Plant.
CAPEX	₹ 882.46 Crs for Phase-I operation.
Status	KIOCL Ltd has been granted Devadari Iron Ore Block, (Sandur Taluk, Ballari District) under reservation by GoK in Jan 2017 under section 17A(2) of MMDR Act, 1957. On obtaining all statutory Clearance viz Mining Plan approval, Environment Clearance, Forest Clearance and Consent for Establishment, KIOCL executed Mining Lease Deed of Devadari Iron Ore Mine with Director, Mines and Geology, Govt. of Karnataka on 02-01-2023 for 388 ha area for a period of 50 years for Iron Ore and Manganese Ore (ML No. 020 of 2023). Mining Lease Deed registered in the Sub-Registrar Office, Sandur on 18-01-2023 and paid ₹ 329.18 crores towards Stamp Duty Fees. Govt. of Karnataka issued Government Order on 11-04-2023 for diversion of forest land for Devadari Iron Ore Mine. Forest Department, GoK is not entering into a Forest Lease Agreement for handing over of diverted forest land to KIOCL for commencement of mining activities due to linking the legacy of forest issues of closed Kudremukh Mine at Kudremukh. KIOCL with various communications requested Forest Dept, GoK to execute Forest lease agreement and to handover diverted forest land to KIOCL for commencement of Mining activities without linking with the regularization of forest issues of erstwhile Kudremukh Iron Ore Mine. However, KIOCL has already submitted application for regularisation of Kudremukh Mine pending issues and it is under consideration/processing at State Forest Department for further needful actions. As per Section 4 A (4) of the MMDR Act, 1957, KIOCL is mandated to commence production and dispatch of iron ore within two years (extendable by one year) from the date of lease execution, failing which the mining lease shall lapse. To ensure compliance with the statutory timeline, KIOCL filed WP 34073/2024 on 12.12.2024 in the Hon'ble High Court of Karnataka to direct Forest Dept, GoK for execution of Forest Lease Agreement and handing over of diverted Forest land to KIOCL for mining Since this project having all statutory clearances. The matter is under sub-judice. After handing over the diverted forest, KIOCL will commence the mining activities at site like, approach road development, detailed exploration, mine development and production, etc.

Installation and Commissioning of Coke Oven Plant under Backward Integration Project at BFU

Brief	Setting up of 2.0 LTPA DISP Plant under forward & 1.80 LTPA Coke Oven Plant under backward integration projects by KIOCL Limited and carrying out the necessary modifications to the Blast Furnace Unit of KIOCL to make the unit economically viable.
CAPEX	₹ 218.30 Crores
Status	KIOCL's Board and the Public Investment Board (PIB) have approved the project with a total capital outlay of ₹ 836.90 crores. The Ministry of Environment, Forest and Climate Change (MoEF&CC) granted environmental clearance (EC), and the Karnataka State Pollution Control Board (KSPCB) provided consent for the expansion in June 2021, valid until June 2026. M/s MECON has been appointed as the EPCM consultant for the project. The main technological components include an NRHR-type Coke Oven Plant, a Waste Heat Recovery Power Plant, a Ductile Iron Spun Pipe Plant, a Pulverised Coal Injection (PCI) Plant, Oxygen and Nitrogen Plants. The captive coke oven and PCI system will significantly reduce the raw material costs for Blast Furnace operations. The agreement for the Coke Oven Plant was signed with M/s Tuaman Engineering Ltd, Kolkata, in November 2021. A Tripartite agreement was also executed among KIOCL, M/s Tuaman Engineering Ltd, and M/s CIMFR, Dhanbad, the technology provider under the Atmanirbhar Bharat Initiative. The total project cost for the Coke Oven Plant is ₹ 218.30 crores, inclusive of GST. Construction of the Coke Oven Plant is currently underway, with a physical progress of 76% as of 31st March 2026.

CAUTIONARY STATEMENT

Certain statements in this report regarding our business operations may constitute forward-looking statements. These include all statements other than statements of historical fact, including those regarding the financial position, business strategy, management plans and objectives for future operations. Forward looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and that may be incapable of being realised, and as such, are not intended to be a guarantee of future results, but constitute our current expectations based on reasonable assumptions. Actual results could differ materially from those projected in any forward-looking statements due to various events, risks, uncertainties and other facto₹ We neither intend to nor assume any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

ANNEXURE TO BOARD'S REPORT

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

[SECTION 134(3) (M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014]

A. CONSERVATION OF ENERGY (2025-26)

a) Steps taken by the company for utilizing alternate source of energy

i) 3.242 lakh units of Solar Power generated from Roof top Solar plant at BFU and 1.00243 lakh units from Roof top solar plant at PPU CPP during FY 2025-26

ii) 1 MW ground mounted Solar Power Plant at BFU generated 14.28 lakh units in FY 2025-26

iii) The 5 MW solar power plant generated a total of 89.45 lakh units during FY 2025-26

iv) Renewable energy (Wind / Solar) procured through non-captive wheeling route, was utilized at the Pellet plant. A total of 76.48 GWh Renewable Energy was consumed through wheeling during FY 2025-26

b) Energy cost management

i) The total energy consumption of the Pellet Plant Unit was 161.438 GWh.

ii) The specific energy consumption per metric ton (MT) of Pellet produced was 59.43 kWh/MT.

iii) Only 0.19 % of the total energy used for Pellet production was sourced from the Captive Power Plant during FY 2025-26 (CPP is not operated due to high cost of Furnace oil).

iv) The Company has discontinued the operation of 9.36 MW Furnace oil based Captive Generators (CPP) for Pellet production and alternatively increased the Contract demand with Grid utility (MESCOM) from 20 to 30 MVA wef 10th May 2025. This shift has contributed for reduction in Environmental impact and significantly reduce air pollution and carbon footprint. Grid power increasingly incorporates renewable energy sources. By shifting to MESCOM supply, the company indirectly increases its share of cleaner energy in Pellet production.

v) By increasing the Contract demand to 30MVA with MESCOM, the company was able to wheel noncaptive Renewable energy upto 76.48 GWh, accounting for 47.37% of the Pellet Plant's total energy consumption during FY 2025-26. This resulted in savings of ₹ 9.16 Crore through wheeling benefits during FY 2025-26

vi) The total Renewable energy (captive & non captive source) constituted 53.61% of the total energy consumption of the plant.

vii) Company has put efforts to reduce Energy cost by procuring power in Energy exchange (IEX) at competitive rate through power trading. The power traded through IEX is 13.55 GWh during FY 2025-26, which contributed to savings of ₹ 2.23 Crore.

viii) The total savings in Energy cost through Open access (IEX trading and non-captive wheeling) is ₹11.39 Crore

c) The steps taken on Conservation of Energy

1. Procurement of 20 nos. of 96WW Street light fittings to replace 250W HPSV lights. 50 nos. of 55W LED well glass fittings to replace 150W Street lights. 100 nos. of 35W Medium Bay fitting to replace 70W fitting. 20 nos. of 140W High Bay LED fitting to replace 400W HPSV fittings, 30 nos. of 200W High Bay LED fitting to replace 400W HPSV fittings at Pellet plant area, with an investment of ₹ 2.28 lakhs.

2. Procurement of 30 nos. each of 250W, 150W and 100W LED lights for Filtration and Grinding area, with an investment of ₹1.50 lakhs

3. Procurement of IE3 efficiency class 315KW VFD duty motor for slurry pumps in Filtration area at an investment of ₹ 8.38 lakhs.

4. As a part of Energy management system, 50 nos. of Digital energy meters and Multifunction meters have been procured this year with an investment of ₹ 3.60 lakh and installation is taken up for replacing old analog meters for monitoring of energy consumption in critical production equipments.

5. The proposal for installation of 2.7 MW Floating Solar Power Plant at Blast furnace unit is approved by the Management and is currently under tendering stage. This innovative project leverages underutilized water bodies to generate renewable energy. Addition of this Solar plant shall reduce our dependency on conventional power sources. The projected annual Solar power Generation is 3.28 million units.

d) **Investment towards Energy conservation / Impact of measures implemented**

1. Procurement action taken for 2 nos. of 22KW IE3 efficient motors for Screening of IOF at an estimated amount of ₹ 1.01 lakhs. The annual estimated savings in energy with these motors is 4.14 lakh units
2. Procurement action taken for supply and retrofitting of 11 nos. of old MOCBs/SF6 HT circuit breakers with latest VCBs at an estimated amount of ₹88 lakhs. VCBs are sustainable solutions for replacing oil filled circuit breakers and SF6 gas filled circuit breakers.
3. Procurement action is taken for Energy efficient motor of 160KW for Reclaimer#3 Bucket wheel operation at an estimated amount of ₹ 8.43 lakhs, as a replacement to old rewound motor.

e) **Energy management**

a) Heat Consumption in '000 K Calories:

2024-25 - 219.22 (An increase of 0.77 % from 2023 - 24 due to low production)

2025-26 : 225.16 (An increase of 2.64% from 2024-25 due to the processing of high LoI material)

b) Energy consumption in last two years in Pellet plant unit

2024-25 – 59.65 GWh (plant was under shutdown for 5-6 months)

2025-26 – 161.438 GWh (with highest yearly production)

Maximum Demand – 29.28 MVA recorded in December 2025

c) Energy consumption per ton in last two years in Pellet plant unit

2024-25 – 64.44 kWh/T (A reduction of 6% from 2023-24)

2025-26 – 59.79 kWh /T

d) Average Energy Consumed per Ton in Grinding & Filtration Plant alone

2024-25- 25.56 kWh/T

2025-26 – 25.54 kWh/T (A reduction of 0.08% from 2024-25)

e) Average Energy Consumed Per Ton in Pellet Plant alone

2024-25- 36.37 kWh/T

2025-26 – 34 kWh/T (A reduction of 6.52% from 2024-25)

f) Percentage of Energy sourced from Captive Power plant of PPU

2024-25 – 16.4% (only One DG operated for Pellet production)

2025-26 – 0.19% (One DG operated for few days only and stopped as MESCOM Contract demand was increased from 20MVA to 30MVA wef 10/5/2025))

g) Percentage of renewable Energy in Total Energy Consumption of Plant

2024-25 – 23.36%

2025-26 – 53.61 %

Energy Conservation Day Celebration 2025:

KIOCL Energy Conservation Cell successfully organized the celebration of "Energy Conservation Day" on December 29th 2025 under the theme "**empowering youth as "Energy Guardians," advancing sustainable innovation, citizen participation**, and driving "Energy Efficiency for Viksit Bharat", encouraging green lifestyles and smart energy habits.

The event was graced by the presence of senior officials and other employees. Company invited an eminent Guest speaker Dr.R.Vasudeva Madav, Associate professor Mechanical Engineering dept at NITK Surathkal, on this occasion.

His presentation had a deep impact on the audience which involved significant biogas and clean energy research, projects like designing biogas upgrading systems, studying catalytic steam biogas reforming for hydrogen, and exploring optimization of green hydrogen from biomass, aligning with sustainable energy goals.

A short video was presented on latest developments in Renewable energy across nations and emphasized on practicing energy-saving habits.

The event was conducted towards focus on **sustainable innovation and green lifestyles**, smart energy habits to help reduce pollution, protect natural resources, and ensure a healthier planet for future generations.

Slogan writing in 3 languages (Hindi, Kannada, English) and a quiz competition based on Energy Conservation was organised at the Resource centre on 26th December 2025. Prizes were distributed to the winners on this occasion.

Figure 1 Energy Conservation Day Quiz Competition 2025

Figure 2: Guest speaker on Energy Conservation Day 2025

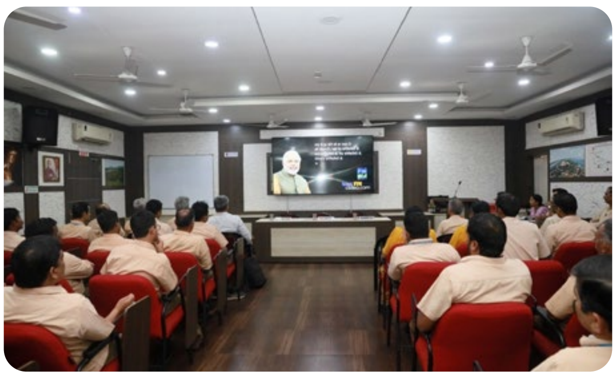


Figure 3: Celebration of Energy Conservation Day 2025

Energy Audit:

The recommendations of the Energy Audit Report conducted in August 2022 are being implemented in a phased manner. During FY 2025-26, the following key actions were undertaken.

1. A Thermal imager is procured to detect potential issues of overheating in electrical switchgears and take timely action to rectify for ensuring efficient operation of electrical system.

2. 6 nos. of VCBs have been procured and retrofitted for replacement of old MOCBs and SF6 Circuit Breakers in Pellet plant MCC.

3. Old DC battery bank for Electrical drives is replaced with latest energy efficient 110V Battery bank.

4. Replacement of power contactors in VFD panels of all Pelletization Disc motors has improved system reliability, prevented over heating of the contact tips and avoided frequent disc stoppages, there by reduced energy loss and production down time.

5. As per Energy audit recommendation, installation and commissioning of 160KW VFD panel for PG 122 is carried out during August 2025 with an investment of ₹ 9.74 lakhs for one out of 5 nos. of gland water pumps which was operating on DOL mode. With 15% savings in energy with VFD operation, the annual savings in energy is 1.46 lakh units.

B: TECHNOLOGY ABSORPTION

(i) Efforts made towards technology absorption

The Company has undertaken the following initiatives towards absorption of advanced technologies:

Installation of Rotary Auto Sampler for Fired Pellets

A Rotary Auto Sampler was installed at the fired pellet conveyor discharge to replace manual sampling.

(ii) benefits derived like product improvement, cost reduction, product development or import substitution;

Installation of Rotary Auto Sampler for Fired Pellets will result in Safe, unbiased and representative sampling, Improved quality monitoring and process control, Elimination of safety hazards associated with manual sampling.

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) –

(a) Details of technology imported;

Vertical Pressure Filters (VPF) supplied by Metso, Sweden.

Four numbers of Vertical Pressure Filters (Metso make, Sweden), each of 100 TPH capacity, have been installed at a project cost of ₹108.33 crore to handle iron ore fines of varying grades and LOI.

(b) Year of import: 2021

(c) Whether the technology has been fully absorbed:

Yes, technology has been fully absorbed.

(d) If not fully absorbed, areas where absorption has not taken place and reasons thereof:

Not applicable.

1. Efforts Made Towards Technology Absorption

The Company has initiated efforts towards absorption of advanced digital technologies by implementing Artificial Intelligence (AI)–based solutions aimed at improving productivity, process efficiency, and cost reduction. The following projects are currently under implementation:

i. Vision-Based Pellet Car Monitoring System

ii. Vision-Based Online Moisture Analyzer for Iron Ore Concentrate

Both projects are being developed and implemented in-house, leveraging internal technical expertise and domain knowledge.

2. Benefits Derived

The above projects are presently under implementation. Upon successful commissioning, the systems are expected to deliver the following benefits:

- Reduction in production losses through early detection of abnormalities
- Improvement in end-product quality
- Enhanced process control and operational efficiency
- Overall cost reduction in plant operations.

3. Imported Technology

No imported technology has been utilized for the above initiatives during the last three years reckoned from the beginning of the financial year.

The technologies are indigenously developed in-house.

C. EXPENDITURE INCURRED ON RESEARCH & DEVELOPMENT (R&D)

(a) Research & Development (R & D)

Sl.No.	Project name	Amount
1	Vision-Based Pellet Car Monitoring System	₹ 6 Lakh
2	Vision-Based Online Moisture Analyzer for Iron Ore Concentrate	₹ 6 Lakh

Also, both projects are being developed and implemented in-house with existing resources, leveraging internal technical expertise and domain knowledge.

Benefits Derived

The above projects are presently under implementation. Upon successful commissioning, the systems are expected to deliver the following benefits:

- Reduction in production losses through early detection of abnormalities
- Improvement in end-product quality
- Enhanced process control and operational efficiency
- Overall cost reduction in plant operations

(b) Expenditure on R & D

(₹ in Lakhs)

Particulars	2024-25	2025-26
a) Capital	00	00
b) Revenue	00	00
c) Total	00	00
d) As % of total turnover	00	00

D: FOREIGN EXCHANGE EARNINGS & OUTGO

Export revenue constituted 0% of the total revenue from operations in FY 2026.

(₹ in Lakhs)

Particulars	2024-25	2025-26
a) Capital	00	00
b) Revenue	00	00
c) Total	00	00
d) As % of total turnover	00	00

Further it is hereby confirmed that there is no payment made towards the import of technology during the Financial Years 2024-25 & 2025-26

ANNEXURE TO BOARD'S REPORT

Annual Report on Corporate Social Responsibility Activities FY 2025-26

1. Brief outline on CSR Policy of the Company:

CSR is an essential ingredient of Corporate Governance. CSR is fundamentally a philosophy or a vision about the relationship of business and Society. It is the continuing commitment of business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. The emerging concept of CSR goes beyond charity and requires the company to act beyond its legal obligations and to integrate social, environmental and ethical concerns into company's business process. The Public Sector Enterprises in pursuit of the triple bottom line' of people, planet and profit have to assign a high priority to the adherence of ideals of CSR. The company endeavours to make CSR for sustainable development. Since the Company has incurred losses during the last three financial years, CSR budget for the current year is Nil. Accordingly, the Company could not undertake any CSR activities during the year.

2. Composition of CSR Committee:

Sl. No	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri. Changdev Sukhadev Kamble	Chairperson	2	2
2	Shri. Ganti Venkat Kiran Director (Finance) & (Production & Projects)- Addl. Charge	Member	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

COMMITTEE COMPOSITION: - https://kioclltd.in/data.php?id=130

CSR POLICY: - https://kioclltd.in/table.php?id=310

CSR PROJECTS: - https://kioclltd.in/table.php?id=311

4. Provide the executive summary along with web link (s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:

Not applicable, as the Company did not have an average CSR obligation of ten crore rupees or more in pursuance of sub-section (5) of section 135 of the Act, in the three immediately preceding Financial Years.

5. (a) Average net profit of the company as per sub section (5) of section 135: ₹ 13051 Lakhs

(b) Two percent of average net profit of the company as per sub-section 5 of section 135(5): **Nil**

(c) Surplus arising out of the CSR projects or programs or activities of the previous financial years: **Nil**

(d) Amount required to be set off for the financial year, if any: **Nil**

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: **Nil**

6. (a) Amount Spent on CSR Projects (both Ongoing Projects and other than Ongoing projects)-**Nil**

(b) Amount spent in Administrative Overheads-**Nil**

(c) Amount spent on Impact Assessment, if applicable-**Nil**

(d) Total amount spent for the Financial Year [(a)+(b)+c]- **Nil**

(e) CSR amount spent or unspent for the financial year: **Nil**

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount.	Date of transfer.	Name of the Fund	Amount	Date of transfer.
NIL	NIL	NA	NA	NIL	NA

(f) Excess amount for set-off if any:

Sl. No	Particular	Amount (in ₹)
(1)	(2)	(3)
(i)	Two Percent of average net profit of Company as per sub-section (5) of section 135	Nil
(ii)	Total amount spent for the Financial Year	Nil
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in H)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	FY- 1	Nil	NA	NA	NA	NA	NA	NA
2	FY- 2	40	3.77	3.45	--	--	Nil	Nil
3	FY- 3	196.10	25.82	Nil	25.82	29.04.26	Nil	Nil

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If yes, enter the number of Capital assets created/ acquired; Not applicable

Details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
	Not Applicable				CSR Registration Number, if applicable	Name	Registered address

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135.** Not applicable as the Company has spent two per cent of the average net profit in accordance with Section 135 (5) of the Companies act 2013.

Sd/-
(G.V Kiran)
[Chairman-cum-Managing Director]

Sd/-
(Dr. Changdev S Kamble)
[Chairperson, CSR Committee]

Business Responsibility and Sustainability Report

SECTION A: GENERAL DISCLOSURES

Annexure II

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity	L13100KA1976GOI002974
2. Name of the Listed Entity	KIOCL Limited
3. Year of incorporation:	2 April 1976
4. Registered office address:	II Block, Koramangala, Bengaluru – 560034
5. Corporate address:	II Block, Koramangala, Bengaluru – 560034
6. E-mail:	cs@kioclltd.in
7. Telephone:	080-25531525
8. Website:	www.kioclltd.in
9. Financial year for which reporting is being done.	2025-26
10. Name of the Stock Exchange(s) where shares are listed.	1. National Stock Exchange Exchange Plaza, C-1, Block G, BKC, Bandra (E) Mumbai – 400 051 • Scrip Code: KIOCL
	2. Bombay Stock Exchange 25th Floor, P.J. Towers, Dalal Street, Fort, Mumbai – 400 001 • Scrip Code: 540680
	3. Metropolitan Stock Exchange of India Limited Vibgyor Towers, 4th Floor, Plot No. C 62, G-Block, BKC, Bandra (E), Mumbai – 400 098 • Scrip Code: KIOCL
11. Paid-up Capital:	₹ 607.75 Crore
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report.	Name: Shri Ganti Venkat Kiran, Director (Production & Projects) - Addl. Charge Telephone: 080-25535892 email id: dpp@kioclltd.in
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone
14. Name of assurance provider	Balwinder & Associates
15. Type of assurance obtained	Reasonable Assurance on BRSR CORE

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing / Job Work	Metal and Metal products	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Iron Ore Pellets	0710	100%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	2	8*	10
International	0	0	0

*Corporate Offices – 1(Bangaluru), Site/Liasioning- 7 (Mangaluru, Kudremukh, Bacheli, Chikkanayakanahalli, New Delhi, Sandur, Visakhapatnam)

19. Markets served by the entity:

a. Number of locations

Locations	FY- 2025-26 Number
National (No. of States)	5
International (No. of Countries)	1

b. What is the contribution of exports as a percentage of the total turnover of the entity?

0%

c. A brief on types of customers

1. Domestic Customer (Trade segment/End-user segment) :

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sl. No.	Particulars	Total	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	EMPLOYEES					
1.	Permanent (D)	184	166	90.22	18	9.78
2.	Other Than Permanent (E)	25	20	80.00	5	20.00
3.	**Total Employees (D+E)**	**209**	**186**	**89.00**	**23**	**11.00**
	WORKERS					
4.	Permanent (D)	290	289	99.66	1	0.34
5.	Other Than Permanent (E)	542	484	89.30	58	10.70
6.	**Total Employees (D+E)**	**832**	**773**	**92.91**	**59**	**7.09**

b. Differently abled Employees and workers:

Sl. No.	Particulars	Total	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	DIFFERENTLY ABLED EMPLOYEES					
1.	Permanent (D)	7	7	100	0	0
2.	Other Than Permanent (E)	0	0	0	0	0
3.	**Total Employees (D+E)**	**7**	**7**	**100**	**0**	**0**
	DIFFERENTLY ABLED WORKERS					
4.	Permanent (D)	4	4	100	0	0
5.	Other Than Permanent (E)	0	0	0	0	0
6.	**Total Employees (D+E)**	**4**	**4**	**100**	**0**	**0**

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	4	0	0%
Key Management Personnel*	2	0	0%

*Does not include Directors designated as KMPs

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2025-26			FY 2024-25			FY 2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	9%	11%	9.%	14%	5%	13%	13%	5%	12%
Permanent Workers	12%	0	12%	13%	67%	14%	11%	50%	11%

V. Workers

23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% Of shares held by listed entity	Does the entity indicated in column A , participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
		Nil		

VI. CSR Details

24. (i). Whether CSR is applicable as per section 135 of Companies Act, 2013: **No**

(ii). Turnover (in Rs.): **INR 61,119 Lakhs**

(iii). Net worth (in Rs.): **INR 173,622.77 Lakhs**

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2025-26			FY 2024-25		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes https://kioclltd.in/data.php?id=386&lang=EN	2	0	--	3	0	--
Investors (other than shareholders)	Yes https://kioclltd.in/data.php?id=343	0	0	--	0	0	--
Shareholders	Yes https://kioclltd.in/data.php?id=343	0	0	--	0	0	--
Employees and workers*	Yes https://kioclltd.in/data.php?id=386	3	0	--	5	0	--
Customers	Yes https://kioclltd.in/data.php?id=386&lang=EN	0	0	--	0	0	--
Value Chain Partners	Yes https://kioclltd.in/data.php?id=386&lang=EN	0	0	--	3	0	--

*Complaints do not include complaints mentioned in Indicator 13 of principal 3

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Raw Material and Market Reach	R	Higher Price of Raw Material Limited International markets	1. Explore captive sources of raw material usage. 2. Exploring new market segments.	Negative
2.	Renewable and clean energy	O	Higher Cost of Energy	3. Feasibility analysis for solar projects completed and new projects.	Positive
3.	Water consumption and effluent discharge	R	100% dependency on raw water from Kudremukh Dam	1. Minimizing freshwater consumption by upgrading and O&M of existing water treatment to increase efficiency. 2. Reusing treated wastewater from sewage and effluents for industrial purpose	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

The National Guidelines for Responsibility Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

PRINCIPLE 1:
Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

PRINCIPLE 2:
Businesses should provide goods and services in a manner that is sustainable and safe.

PRINCIPLE 3:
Businesses should respect and promote the well-being of all employees, including those in their value chains.

PRINCIPLE 3:
Businesses should respect the interests of and be responsive to all its stakeholders.

PRINCIPLE 4:
Businesses should respect and promote human rights.

PRINCIPLE 5:
Businesses should respect and make efforts to protect and restore the environment.

PRINCIPLE 7:
Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

PRINCIPLE 8:
Businesses should promote inclusive growth and equitable development.

PRINCIPLE 9:
Businesses should engage with and provide value to their consumers in a responsible manner.

S. No.	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1.	a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c. Web Link of the Policies, if available	https://kiocllltd.in/table.php?id=282								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	No	No	No	No	No	No	No	No	No
4.	Name of the national and international codes/ certifications/ labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.		ISO 9001 ISO 14001 ISO 45001	ISO 45001			ISO 14001			ISO 9001
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Nil								
6.	Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.	Not Applicable								

S. No.	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9

Governance, leadership, and oversight

7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure) KIOCL being a Mini Ratna Category 1 PSU is dedicated to achieving sustainability in terms of Environment, Social, Governance (ESG) aspects. The environmental stewardship of KIOCL is aware of its role and duties in mitigating the impact of climate change. KIOCL, being a responsible corporate organization, is fully conscious of its duties towards society. The company gives a lot of emphasis on Corporate Governance.	
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Director (Production & Projects) Telephone: 080-25535892 email id: dpp@kioclltd.in
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes Director (Production and Projects) - Additional Charge

10. **Details of Review of NGRBCs by the Company:**

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board /Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Annually								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Yes									Yes								

11.

	P1	P2	P3	P4	P5	P6	P7	P8	P9
Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No).	No	No	No	No	No	No	No	No	No

12. **If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:**

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
It is planned to be done in the next financial year (Yes/No)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Any other reason (please specify)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

PRINCIPLE 1:

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. **Percentage coverage by training and awareness programmes on any of the principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% Age of persons in respective category covered by the awareness programmes
Board of Directors (BoD)	4	Principle 1, 3, 5	100
Key Managerial Personnel (KMP)	6	Principle 1, 3, 5, 6 ,8	100
Employee other than BoD and KMPs (Executives)	65	Principle 1,2,3,4,5,6,7,8	100
Workers	57	Principle 1, 2, 3, 5, 6, 8	100

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

Monetary					
	NGRBC principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (INR)	Brief of the Case	Has an appeal been preferred? (Yes/ No)
Penalty / Fine	Principle 1	BSE, NSE & MSEI	10,024,460	KIOCL was levied penalty by Stock Exchanges for Non-Compliance under Reg 17, 18, 19, 20 and 21 of SEBI (LODR) Regulations, 2015	No
Settlement	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding fee	N.A.	N.A.	N.A.	N.A.	N.A.

Non- Monetary				
	NGRBC principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/ No)
Imprisonment	NA	NA	NA	NA
Punishment	NA	NA	NA	NA

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Nil	

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

The company has a Code of Conduct & Ethics for the Board of Directors and Senior Management Personnel. The same is available on the website of the company at: https://kioclltd.in/assets/uploads/policy-for-code-of-conduct-of-kiocl1-pdf

In addition, the company has a Whistle Blower policy. The same is available on the website of the company at: https://kioclltd.in/table.php?id=279&lang=EN

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2025-26	FY 2024-25
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. **Details of complaints with regard to conflict of interest:**

	FY 2025-26		FY 2024-25	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	--	Nil	--
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	--	Nil	--

7. **Provide details of any corrective action taken or underway on issues related to fines /penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

Nil

8. **Number of days of accounts payables (Accounts payable *365) / Cost of goods/services procured) in the following format:**

	FY 2025-26	FY 2024-25
Number of days of account payables	640	25.6

Note: The numbers reported in FY 2025-26 be taken as per Note 28.1.1 "Ratios" in the audited balance sheet of the Company for the year ended March 31, 2026.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, reasonable assurance has been conducted by M/s Balwinder & Associates.

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2025-26	FY 2024-25
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	93.14	90.35
	b. Number of trading houses where purchases are made from	Transaction on GeM	Transaction on GeM
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	93.15	90.35
Concentration of Sales	a. Sales to dealers /distributors as % of total sales	4	37
	b. Number of dealers /distributors to whom sales are made	4*	4*
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers / distributors	4	37
Share of RPTs in	a. Purchases (Purchases with related parties /Total Purchases)	Nil	Nil
	b. Sales (Sales to related parties / Total Sales)	Nil	Nil
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	Nil	Nil
	d. Investments (Investments in related parties / Total Investments made)	Nil	Nil

Note: * Number of dealers/distributors are less than 10 Nos.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, reasonable assurance has been conducted by M/s Balwinder & Associates.

Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the principles during the financial year:**

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
Nil	NA	NA

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.**

Yes, KIOCL has a Code of Conduct policy. The purpose of this policy to enhance further scope of good Corporate Governance with an ethical and transparent process in managing the affairs of the company.

PRINCIPLE 2:

Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2025-26	FY 2024-25	Details of improvements in environmental and social impacts
R&D	0%	0.00%	
Capex	0%	4.00%	

a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, the company has a well-documented Procurement Manual, Contracts Manual and projects manual.

b. If yes, what percentage of inputs were sourced sustainably?

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Plastics (including packaging)	N.A.
E-waste	The generated E-waste is sold to CPCB and KSPCB authorized agencies.
Hazardous Waste	The generated Hazardous Waste is sold to CPCB and KSPCB authorized agencies.
Other Waste	Scrap lead Acid Batteries are sold to the CPCB and KSPCB authorized agencies.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No).

No

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
No					

2. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2025-26	FY 2024-25
Pellet Fines	2%	2%

PRINCIPLE 3:

Businesses should respect and promote the well-being of all employees, including those in their value chains.

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% OF EMPLOYEES COVERED BY										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No.(B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
PERMANENT EMPLOYEES (Executives)											
Male	166	166	100	166	100	NA	NA	166	100	0	0
Female	18	18	100	18	100	18	100	NA	NA	0	0
Total	**184**	**184**	**100**	**184**	**100**	**18**	**10%**	**166**	**90**	**0**	**0**
OTHER THAN PERMANENT EMPLOYEES											
Male	20	20	100	20	100	NA	NA	0	0%	0	0
Female	5	5	100	5	100	5	100	NA	NA	0	0
Total	**25**	**25**	**100**	**25**	**100**	**5**	**20**	**0**	**0%**	**0**	**0**

b. Details of measures for the well-being of workers:

Category	% Of WORKERS COVERED BY										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No.(B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
PERMANENT WORKERS (Non-Executives)											
Male	289	289	100	289	100	NA	NA	289	100	0	0
Female	1	1	100	1	100	1	100	NA	NA	0	0
Total	**290**	**290**	**100**	**290**	**100**	**1**	**0.34**	**289**	**99.7**	**0**	**0**
OTHER THAN PERMANENT WORKERS											
Male	484	265	55	265	55	NA	NA	0	0	0	0
Female	58	8	14	8	14	58	100	NA	NA	0	0
Total	**542**	**273**	**50**	**273**	**50**	**58**	**11**	**0**	**0**	**0**	**0**

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2025-26	FY 2024-25
Cost incurred on well-being measures as a % of total revenue of the company	0.61%	0.45%

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, reasonable assurance has been conducted by M/s Balwinder & Associates.

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2025-26			FY 2024-25		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Y	100	100	Y
Gratuity	100	100	Y	100	100	Y
ESI	N.A	N.A	N.A	N.A.	N.A.	N.A.
Others-Retrenchment Benefits etc	N.A	N.A	N.A	N.A.	N.A.	N.A.

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

No

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

	Permanent employees (Executives)		Permanent workers (non-Executives)	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	Yes/ No (If yes, then give details of the mechanism in brief)
Permanent Workers Other than Permanent Workers Permanent Employees Other than Permanent Employees	Yes. The Company has a well-defined Grievance Redressal Procedure for addressing and resolving employee grievances with a view to fostering harmonious industrial relations. The grievance redressal mechanism is a multi-layered procedure, wherein an employee may raise and address a grievance at four different stages, with clearly defined timelines for resolution at each level. This structured mechanism ensures that employee grievances are dealt with promptly, fairly, and effectively.

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2025-26			FY 2024-25		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D /C)
Total Permanent Employees (Executives)	184	138	75	203	151	74
Male	166	126	76	182	137	75
Female	18	12	67	21	14	67
Total Permanent Workers	290	273	94	329	312	95
Male	289	272	94	328	311	95
Female	1	1	100	1	1	100

8. Details of training given to employees and workers:

Category	FY 2025-26 Current Financial Year					FY 2025-26 Current Financial Year				
	Total (A)	On health and safety/ wellness measures		On skill upgradation		Total (D)	On health and safety/ wellness measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
EMPLOYEES										
Male	166	166	100	166	89	217	182	84	115	53
Female	23	23	100	18	78	32	21	66	6	19
Total	**209**	**209**	**100**	**184**	**88**	**249**	**203**	**82**	**121**	**49**
WORKERS										
Male	773	477	62	289	37	745	674	90	359	48
Female	59	21	36	1	2	56	47	84	46	82
Total	**832**	**498**	**60**	**290**	**35**	**801**	**721**	**90**	**405**	**51**

9. Details of performance and career development reviews of employees and worker:

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
EMPLOYEES (Executives)						
Male	166	166	100	182	182	100
Female	18	18	100	21	21	100
Total	**184**	**184**	**100**	**203**	**203**	**100**
WORKERS (Permanent Workers i.e., non-Executives)						
Male	289	289	100	328	328	100
Female	1	1	100	1	1	100
Total	**290**	**290**	**100**	**329**	**329**	**100**

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

An Occupational Health and Safety Management System in accordance with ISO 45001:2018 has been implemented across the entity to systematically manage occupational health and safety risks and promote a safe and healthy working environment for employees and workers.

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

The company uses the following processes to identify work-related hazards and assess risks for both routine and non-routine activities:

- Hazard Identification and Risk Assessment (HIRA)
- Safety Management Plan
- Permit to work system
- Energy isolation / LOTO practiced strictly
- Use of Checklists
- Safety Inspections and Observations
- Accident Investigation
- Near-Miss Reporting and Analysis for implementation of
- Daily Walkthrough Interactions with Employees
- Worker consultation and participation, points will be discussed in safety committee meeting for corrections.
- External Safety Audits (conducted once every two years)
- Observations by Workmen Inspectors
- On-Site Emergency Plan Manual
- Periodic review and reassessment (Top management)
- Mock drills carried out on regular basis

c. **Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

Yes.

We have established and implemented a dedicated Integrated Management System (IMS) Policy covering Occupational Health & Safety and Environmental practices. The policy is communicated to employees, workers, contractors and other relevant interested parties. It is made available at appropriate workplaces.

d. **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes.

11. **Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees (Executives)	0	0
	Workers (both permanent & non-permanent)	0	0
Total recordable work-related injuries	Employees (Executives)	0	0
	Workers	0	0
No. of fatalities (safety incident)	Employees (Executives)	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees (Executives)	0	0
	Workers	0	0

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, reasonable assurance has been conducted by M/s Balwinder & Associates.

12. **Describe the measures taken by the entity to ensure a safe and healthy workplace.**

KIOCL has implemented an Occupational Health and Safety Management System in accordance with ISO 45001:2018, reflecting its commitment to maintaining a safe and healthy working environment for its employees and workers. Standard Operating Procedures (SOPs) are established and implemented across various operational and maintenance activities.

Regular toolbox talks and daily pep talks are conducted at work sites to reinforce safe work practices and enhance safety awareness among employees and workers. The premises are inspected on a weekly or fortnightly basis by personnel from the Safety Department. Identified gaps and deviations are addressed on a priority basis to ensure effective implementation of safety measures.

A Safety Committee, chaired by the CGM (I/c), Mangalore, meets once every three months. The Committee comprises representatives from both management and workers and reviews safety deviations, monitors corrective actions, and ensures timely closure of identified observations by the concerned departments.

Hazard Identification and Risk Assessment (HIRA) is carried out for processes associated with the Pellet Plant and Port facilities. Appropriate control measures are identified and implemented strictly to minimize occupational health and safety risks.

Safety performance is reviewed on a quarterly basis. External safety audits are conducted by authorized agencies in accordance with IS 14489 to assess the effectiveness of the safety management system and identify areas for improvement.

As part of its occupational health initiatives, annual health check-ups are conducted for all employees. For contract labourers engaged in work at height, a Vertigo Test and evaluation by the First Aid Centre are mandatory prerequisites before the issuance of a Work-at-Height (WAH) Safety Card.

To strengthen emergency preparedness, periodic mock drills are conducted to assess response capabilities and enhance the competency of the core safety team. In addition, structural safety inspections are carried out once every two months to identify potential structural risks and facilitate timely corrective action.

Through these measures, KIOCL continues to strengthen its safety culture, improve risk management practices, and promote a proactive approach towards occupational health and safety across its operations.

13. Number of Complaints on the following made by employees and workers:

	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	16	3	--	18	2	--
Health and safety	10	0	--	19	0	--

14. Assessments for the year:

	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

a) KIOCL has implemented an Occupational Health and Safety Management System in accordance with ISO 45001:2018, reflecting its commitment to effectively managing the health and safety of employees and workers. Standard Operating Procedures (SOPs) are in place across various operational and maintenance activities.

b) Regular toolbox talks; Safety induction training and daily pep talks are conducted at work sites/ training resource centre to reinforce the best safety practices. The premises are inspected weekly or fortnightly by safety department personnel, and any identified gaps are addressed on a priority basis.

c) A Safety Committee, chaired by the CGM (I/c, Mangalore), meets once every three months. This committee includes representation from both management and workers, reviews safety deviations, and ensures timely corrective actions by the departments concerned.

d) Safety performance is reviewed quarterly though top management.

e) External safety audits are conducted two years once by authorized agencies in accordance with IS 14489: 2018.

f) Annual health check-ups are carried out for all employees for yearly once.

g) For contract labourers' safety during working at height, a Vertigo test and evaluation by the First Aid Centre are mandatory before issuing a Work-at- Height (WAH) safety card.

h) Periodic mock drills are conducted to enhance emergency preparedness and strengthen the competency of the core safety team and fire safety personals.

i) Additionally, structural safety inspections are carried out once every two months.

j) Statutory forms related to accidents submitted to Department of boilers, Govt of Karnataka regularly (Monthly and yearly) inspections by government/regulatory authorities.

k) Environmental compliance monitoring is carried out at defined intervals, including ambient air quality, stack/emission monitoring, noise monitoring, illumination (lighting) and other applicable environmental parameters. Sampling are taken through competent/approved laboratories and the corresponding test reports and monitoring records are maintained and made available for review.

l) A dedicated fire station is available at the plant, equipped with a fire tender, firefighting equipment, fire extinguishers, and other necessary fire safety resources. The fire station is manned round the clock by trained firefighters and DCPOs to ensure continuous fire safety and emergency preparedness across the plant. Regular fire and emergency safety inspections are carried out, and any observations or deficiencies identified during the inspections are addressed with immediate corrective actions.

m) A comprehensive training calendar was prepared for employees covering safety, environmental, medical, operations, and maintenance-related topics to achieve the planned training man-days. The identified monthly training topics were systematically covered as per the schedule throughout the year.

n) All applicable statutory requirements and legal compliances related to occupational health and safety were strictly adhered to and regularly monitored to ensure continued compliance and safe working practices.

o) The Permit-to-Work (PTW) system is implemented and monitored strictly on a daily basis to ensure safe execution of all maintenance and operational activities. Equipment isolation and normalization are carried out through the SAP Permit System only after authorization and clearance from the Engineer-in-Charge. High-risk activities such as work at height, hot work, energized electrical work, and Lockout/Tagout (LOTO) operations are inspected and verified daily by the Safety Department to ensure compliance with safety procedures and statutory requirements before and during execution.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Nil

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Employees	Yes
Workers	Yes

2. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

3. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No

PRINCIPLE 4:

Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

Stakeholders	Identification Process
Investors/Shareholders	The Board & Co-ordination Department in Co-ordination with RTA. Identifies the Key Investors/Shareholders.
Government/Regulatory Bodies	Identified with respect to the applicable rules and regulation and the concerned Departments of company co-ordinate with their Respective Government/Regulatory Bodies.
Media	The Corporate Communication Department of the company Co-ordinates with the Print & Digital Media.
Customers	Buyers desirous of procuring iron ore pellets need to empanel themselves by furnishing requisite details sought in the web link: https://www.kioclltd.in/table.php?id=315. against 'Invitation for Expression of Interest' Empanelment is an incessant process and renewable every 3 years.
Suppliers, Dealers, Contractors, Transporters	Through EOI and vendor registration

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Community	Yes	Request letters- Emails, Community Meetings	Quarterly	Basic Infrastructure development like dysfunctional toilets, renovation of school buildings, Drinking water, Health care facilities and medical equipment
Government Bodies / Statutory Bodies	No	Meetings, Emails, Letters	Quarterly	Provide updates on progress of CSR projects
Employees	No	Discussion forums, Emails, Letters	Regular	Grievance and Feedback
Value Chain Partners	No	Email, vendor Meet	Half yearly	Updating the processes, engagement

Leadership Indicators

1. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   KIOCL is having Board level CSR committee, headed by an Independent Director and followed by an internal CSR committee. The internal CSR committee identifies & discusses with key stakeholders about implementation of CSR projects based on the request received from various stake holders such as local communities, educational institutes, Hospitals, District Authorities etc. Key Stakeholders are by & large identified from local areas, Aspirational Districts etc. The CSR board monitors and reviews progress quarterly.

PRINCIPLE 5:

Businesses should respect and promote human rights.

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

	FY 2025-26			FY 2024-25		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / Workers covered (D)	% (D/C)
EMPLOYEES						
Permanent	184	184	100	203	10	5
Other than permanent	25	25	100	46	0	0
Total Employees	**209**	**209**	**100**	**249**	**10**	**4**
WORKERS						
Permanent (Non-Executives)	290	290	100	329	1	0.3
Other than permanent	542	288	53	472	9	2
Total Workers	**832**	**578**	**69**	**801**	**10**	**1**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2025-26					FY 2024-25				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
EMPLOYEES (Executives)										
Permanent	**184**	**Nil**	**--**	**184**	**100**	**203**	**Nil**	**--**	**203**	**100**
Male	166	Nil	--	166	100	182	Nil	--	182	100
Female	18	Nil	--	18	100	21	Nil	--	21	100
Other than Permanent	**25**	**Nil**	**--**	**25**	**100**	**46**	**Nil**	**--**	**46**	**100**
Male	20	Nil	--	20	100	35	Nil	--	35	100
Female	5	Nil	--	5	100	11	Nil	--	11	100
WORKERS										
Permanent (Non-Executives)	**290**	**Nil**	**--**	**290**	**100**	**329**	**Nil**	**--**	**329**	**100**
Male	289	Nil	--	289	100	328	Nil	--	328	100
Female	1	Nil	--	1	100	1	Nil	--	1	100
Other than Permanent	**542**	**Nil**	**--**	**542**	**100**	**472**	**392**	**83**	**80**	**17**
Male	484	Nil	--	484	100	417	346	83	71	17
Female	58	Nil	--	58	100	55	46	84	9	16

3. Details of remuneration/salary/wages

   a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	2	55,09,646	0	0
Key Managerial Personnel	3	11,47,110	0	0
Employees other than BoD and KMP (Executives)	177	23,50,366	20	18,48,028
Workers* (Permanent Workers i.e non-Executives)	326	17,08,672	1	12,83,700

Note: Govt. Nominee Directors are not considered for remuneration as they are not entitled for any sitting fees or remuneration.

KIOCL is having two Independent Directors including one Women Independent Director and two Govt. Nominee Directors including one Women Govt. Nominee Director.

Further, Independent Directors are Entitled for sitting fees only.

   b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2025-26	FY 2024-25
Gross wages paid to females as % of total wages	3.94%	2.75%

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, reasonable assurance has been conducted by M/s Balwinder & Associates.

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

   Yes, HR department has policies which ensures implementation of human rights as per applicable guidelines. Issues raised under human rights are addressed by the HOD, HR Department.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

   Any Employee who seeks to convey her/his grievances to the company can contact the Director Grievances personally, through landline or through post. They may also register their complaints online by filling the Online Grievance form at https://kioclltd.in/data.php?id=386&lang=EN

6. **If the complaint is still not redressed through the company's mechanism, they can use CPGRAMS Link for lodging the grievance https://pgportal.gov.in/ Number of Complaints on the following made by employees and workers:**

	FY 2025-26			FY 2024-25		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	0	0		0	--	--
Discrimination at workplace	0	0		0	--	--
Child Labor	0	0		0	--	--
Forced Labor/ Involuntary Labor	0	0		0	--	--
Wages	0	0		0	--	--
Other human rights related issues	0	0		0	--	--

6. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	FY 2025-26	FY 2024-25
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees / workers	Nil	Nil
Complaints on POSH upheld	Nil	Nil

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, reasonable assurance has been conducted by M/s Balwinder & Associates.

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

   To prevent adverse consequences to the Complainant in discrimination and harassment cases, the willing complainants are transferred to different section/department/unit/office.

8. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

   Yes

9. **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	100%
Forced/involuntary labor	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	100%

10. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.**

    N.A.

Leadership Indicators

1. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

   Yes

PRINCIPLE 6:

Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1. **Details of total energy consumption (in Giga Joules) and energy intensity, in the following format:**

Parameter	FY 2025-26	FY 2024-25
From renewable sources		
Total electricity consumption (A)	3,15,290	50,151
Total fuel consumption (B)	--	--
Energy consumption through other sources (C)	--	--
Total energy consumed from renewable sources (A+B+C)	**3,15,290**	**50,151**
From non-renewable sources		
Total electricity consumption (D)	2,72,571	187,343
Total fuel consumption (E)	28,89,281	1940,842
Energy consumption through other sources (F)	--	--
Total energy consumed from non-renewable sources (D+E+F)	**31,61,852**	**2128,185**
Total energy consumed (A+B+C+D+E+F)	**34,77,142**	**2178,337**
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	0.0005689	0.000369
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	0.0117411	0.008453
Energy intensity in terms of physical output (MT of Iron Pellets)	1.2902	2.3534

- For the purpose of calculation of revenue adjusted Purchasing power parity (PPP), conversion factor @20.64 INR/USD as on March 31, 2026, as per the IMF has been considered for FY 2025-26 (Source: https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC).
- Energy factors are reported as per the UN's Intergovernmental Panel on Climate Change (IPCC)
- Types of Renewable and Non- Renewable sources: Renewable – Solar Electricity, Non-Renewable – Grid Electricity, Anthracite Coal (G1), Furnace Oil, Diesel, Petrol, LPG, PNG
- Does not include information about other liaison offices situated at Kalaipani, Bacheli, Visakhapatnam and Chikkainayakanahalli.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, reasonable assurance has been conducted by M/s Balwinder & Associates.

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

   No.

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	8,05,339	464,288
(ii) Groundwater	20,571	27,940
(iii) Third party water	12,102	8,312
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**8,38,012**	**500,550**
Total volume of water consumption (in kilolitres)	**8,23,792**	**475,262**

Parameter	FY 2025-26	FY 2024-25
Water Intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.0001348	0.000081
Water Intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.00278	0.0018
Water intensity in terms of physical output (MT of Iron Pellets)	0.3057	0.5135

- For the purpose of calculation of revenue adjusted Purchasing power parity (PPP), conversion factor @20.64 INR/USD as on March 31, 2026, as per the IMF has been considered for FY 2025-26 (Source: https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC).
- ^ Water consumption is calculated as the difference between water withdrawal and water discharge. It includes water consumed for domestic, gardening and process.
- Does not include information about other liaison offices situated at Kalaipani, Bacheli, Visakhapatnam and Chikkainayakanahalli.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, reasonable assurance has been conducted by M/s Balwinder & Associates.

4. **Provide the following details related to water discharged:**

Parameter	FY 2025-26	FY 2024-25
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water	0	
- No treatment	0	
- With treatment – Secondary Treatment	0	0
(ii) To Groundwater	0	
- No treatment	0	
- With treatment – Secondary Treatment	0	0
(iii) To Seawater	0	
- No treatment	0	
- With treatment – please specify level of treatment	0	
(iv) Sent to third parties	14,220	
- No treatment	14,220	21,845
- With treatment – please specify level of treatment	0	
(v) Others	0	
- No treatment	0	
- With treatment – please specify level of treatment	0	7
Total water discharged (in kilolitres)	**14,220**	**25,288**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? N.

- The pre-treated wastewater is subsequently discharged to the authorized Common Effluent Treatment Plant (CETP) operated by Pollution Control Board of respective locations for final tertiary treatment and safe disposal.
- Does not include information about other liaison offices situated at Kalaipani, Bacheli, Visakhapatnam and Chikkainayakanahalli.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, reasonable assurance has been conducted by M/s Balwinder & Associates.

5. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

   Yes, KIOCL implemented Zero liquid Discharge Mechanism.

   KIOCL has adequate Effluent treatment facilities, and 100% sewage is treated using MBR technology. Water conservation by recycling 100% treated process water for process use, supplied to BFU, Green Belt Development and housekeeping etc.

6. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2025-26	FY 2024-25
NOx	µg/m3	Not Available	Not Available
SOx	µg/m3	Not Available	Not Available
Particulate matter (PM-2.5)	Kg/year	1788	1958
Particulate matter (PM-10)			
Persistent organic pollutants (POP)	--	Not Available	Not Available
Volatile organic compounds (VOC)	--	Not Available	Not Available
Hazardous air pollutants (HAP)	--	Not Available	Not Available
Others – Carbon Monoxide	mg/m3	Not Available	Not Available

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	MTCO2e	2,30,142	156,229
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	MTCO2e	53,664	37,833
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	MTCO2e	0.0000464	0.0000329
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emission / Revenue from operations adjusted for PPP)		0.0009584	0.0007372
Total Scope 1 and Scope 2 emission intensity in terms of physical output (MT of Iron Pellets)	MTCO2e /Metric Tonnes	0.1053	0.2097

- For the purpose of calculation of revenue adjusted Purchasing power parity (PPP), conversion factor @20.64 INR/USD as on March 31, 2026, as per the IMF has been considered for FY 2025-26 (Source: https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC).
- Scope 1 Emission factors are reported as per the UN's Intergovernmental Panel on Climate Change (IPCC)
- Scope 2 Emissions are reported with grid emission factor from Version 21 of the Central Electrical Authority's CO2 database.
- Does not include information about other liaison offices situated at Kalaipani, Bacheli, Visakhapatnam and Chikkainayakanahalli.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, reasonable assurance has been conducted by M/s Balwinder & Associates.

8. **Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.**

   Yes, Operational Solar Power Plant of 5 MW. In clean energy initiatives, work allotted to m/s. EIL on Fuel switches over from Furnace oil to LNG for Sintering of Pellets is under progress.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2025-26	FY 2024-25
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	4.31	3.43
E-waste **(B)**	0	0
Bio-medical waste **(C)**	0	0
Construction and demolition waste **(D)**	0	0
Battery waste **(E)**	0.66	0
Radioactive waste **(F)**	0	0
Other Hazardous waste. Please specify, if any. **(G)**	5.98	0
Other Non-hazardous waste generated **(H)** Rubber & Metal Scrap	712.10	267.05
Total (A+B + C + D + E + F + G + H)	723.05	270.48
Waste Intensity per rupee of turnover. (Total waste generated / Revenue from operations)	0.0000001183	0.0000000459
Waste Intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.000002442	0.00000103
Waste intensity in terms of physical output (Total waste generated / MT of Iron Pellets)	0.0002683	0.000292
Waste intensity (optional) – the relevant metric may be selected by the entity	--	--
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	721.85	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	721.85	0
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	1.20	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	1.20	0

- For the purpose of calculation of revenue adjusted Purchasing power parity (PPP), conversion factor @20.64 INR/USD as on March 31, 2026, as per the IMF has been considered for FY 2025-26 (Source: https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC).
- Other non-hazardous waste includes Used Lube Oil and Oil soaked cotton waste generated in the plants during the manufacturing process
- Does not include information about other liaison offices situated at Kalaipani, Bacheli, Visakhapatnam and Chikkainayakanahalli.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, reasonable assurance has been conducted by M/s Balwinder & Associates.

10. Briefly describe the waste management practices adopted in your establishments.

- E-Waste handed over to party authorized by KSPCB.
- Biomedical waste handed over to CBWTF authorized by KSPCB.
- Hazardous waste handed over to agencies authorized by CPCB & KSPCB. The used oil is extensively reused for lubricating the Pellet car in Pellet Plant.
- Solid waste- Regular collection of metal scrap and packaging material and disposal to local vendors.
- Clarifier underflow containing iron concentrate and filtrate received from filtration process and floor washes is recycled back to the filtration process.
- Dry dust collected in the multi cyclones system and fugitive dust collection system is collected and reused in the process.
- The pellet fines (2% of pellet production) are recycled in the process after Re-grinding.

Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

N.A.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes /No)	Results communicated in public domain. (Yes / No)	Relevant Web link
Not Applicable					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).

Yes.

14. If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

Leadership Indicators

1. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area:

(ii) Nature of operations:

Not Applicable

2. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative

3. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

   Yes, Weblink: https://www.kioclltd.in/assets/uploads/kiocl-disaster-management-plan-compressed.pdf

4. How many Green Credits have been generated or procured:

   a. By the listed entity

      Nill

   b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners"

      Nill

PRINCIPLE 7:

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

      06 (Six)

   b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers / associations	Reach of trade and industry chambers/ associations (State/National)
1	Export Promotion Council for EOU; s & SEZ Units	National
2	Federation of Indian Export Organization	National
3	Institute of Directors	National
4	Pellet Manufacturers Association of India	National
5	Federation of Indian Mineral Industries	National
6	Indian National Trust for Art & Cultural Heritage	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

   Nil

PRINCIPLE 8:

Businesses should promote inclusive growth and equitable development.

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Nil					

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amount paid to PAFs in the FY (In INR)
Nil						

3. **Describe the mechanisms to receive and redress grievances of the community.**

Communities having complaints or grievances can interact with the organization through the Chief General Manger (HR) for Public Grievance / Dispute settlements. The complainant can approach these officers in person or through written complaints or communicate through e-mail or contact on telephones. https://kioclltd.in/data.php?id=386&lang=EN

If a complainant is still not able to get the complaint redressed through the company's mechanism of Consumer grievances, click CPGRAMS. https://pgportal.gov.in/

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2025-26	FY 2024-25
Directly sourced from MSEs	29.28%	62.70%
Directly from within India	97.44%	98.61%

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, reasonable assurance has been conducted by M/s Balwinder & Associates.

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost.**

Location	FY 2025-26	FY 2024-25
Rural	0	0
Semi – Urban	0	0
Urban	0	0.1
Metropolitan	0	0

Note: This information includes wages paid to employees hired during the current financial year; however, no new hires were made during this period.

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, reasonable assurance has been conducted by M/s Balwinder & Associates.

Leadership Indicators

1. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S. No.	State	Aspirational District	Amount spent (In INR)

As per the 'Transformation of Aspirational Districts' programme of the Government, a list of districts has been identified for quick and effective transformation. For additional details, refer to the following link: https://niti.gov.in/about-aspirational-districts-programme

2. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

   Yes

   (b) From which marginalized /vulnerable groups do you procure?

   SC/ST, Women's Entrepreneurs

   (c) What percentage of total procurement (by value) does it constitute?

   SC/ST – 0.59%

   Women Entrepreneurs – 2.19%

3. **Details of beneficiaries of CSR Projects:**

S. No.	CSR Project	No. of persons benefitted from CSR projects	% Of beneficiaries from vulnerable and marginalized groups
	Nil	Nil	Nil

PRINCIPLE 9:

Businesses should engage with and provide value to their consumers in a responsible manner.

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   Consumer complaints are received in the form of email and letters by the Marketing/Commercial Department. On receipt of customer complaint, a Corrective Action Request (CAR) is raised on relevant department to investigate and provide a 'Root Cause Analysis' for complaint resolution and the findings are communicated to the Customer as per procedures laid down in Integrated Management System.

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage	Not Applicable
Recycling and/or safe disposal	Not Applicable

3. Number of consumer complaints in respect of the following:

	FY 2025-26		Remarks	FY 2024-25		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	-		0	--	--
Advertising	0	-		0	--	--
Cyber-security	0	-		0	--	--
Delivery of essential services	0	-		0	--	--
Restrictive Trade Practices	0	-		0	--	--
Unfair Trade Practices	0	-		0	--	--
Other	0	-		0	--	--

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	Not Applicable
Forced recalls	Nil	Not Applicable

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, At present IT Policy is designed in general to guide the usage and manage IT assets and the same is hosted on Company Website @ https://kioclltd.in/table.php?id=284.

However, the Cyber Security Policy, which is a part of IT Security Policy, is under draft stage. which will be prepared in line with latest Email Security Policy and Digital Personal Data Protection (DPDT) Act.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

For protection against Cyber Security and Data Privacy of End Point devices and Network connection, Fortinet Next Generation Firewall and Bitdefender End Point Security is installed. An awareness session on Cyber Security was organized for employees during Dec.2025. For the year 2025-26, IT Audit and VAPT for SAP Applications, Website and ICT infrastructure was done from Cert-In empanelled Auditing agency. The Cert-in empaneled IT Auditing agency has submitted the final compliance report.

During July 2026, an intrusion was detected in the firewall device at Mangalore. Immediate remedial measures were taken, including upgrading the Fortinet OS and implementing a strong password policy. There was no impact on data or data integrity as a result of the incident.

The departments are equipped with the latest configuration Desktop/Laptop, secured with Active Directory and Bitdefender End Point Security with EDR feature and monitored by NMS.

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches

0

b. Percentage of data breaches involving personally identifiable information of customers

0%

c. Impact, if any, of the data breaches

Nil

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, reasonable assurance has been conducted by M/s Balwinder & Associates.

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   Specifications for Iron Ore Pellets and Pig Iron are provided on the website in the following links.

   - For Iron Ore Pellets: https://www.kioclltd.in/data.php?id=400.
   - For Pig Iron: https://www.kioclltd.in/data.php?id=339.

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   As a responsible manufacturer, KIOCL complies with all statutory norms.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   Any risk/disruption in supply is intimated to Customer as per Force Majeure Clause and /or Termination Clause provided in all Sale Contracts.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief.**

   N.A.

5. **Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   Yes KIOCL regularly conducts Customer Satisfaction Surveys on a periodic basis. The survey questionnaire is circulated to all performing customers, who assess their business relationship with KIOCL across six main attributes: Quality, Quantity, Delivery Schedule, Contract, Servicing, Communication, and Co- ordination, as well as problem-solving. KIOCL consistently undertakes these customer satisfaction surveys to gauge the level of satisfaction among its customers.

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INDEPENDENT PRACTITIONER'S REASONABLE ASSURANCE REPORT ON KIOCL LIMITED's IDENTIFIED SUSTAINABILITY INFORMATION IN THE BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR) FOR THE FINANCIAL YEAR 2025-26

To the Board of Directors of KIOCL Limited

1. We have conducted a reasonable assurance engagement, for "**KIOCL Limited**" ("the Company") in respect of the agreed Sustainability Information listed in the "Identified Sustainability Information" paragraph below in accordance with the criteria stated in the "Criteria" paragraph below. The Identified Sustainability Information is included in the Business Responsibility and Sustainability Report ("BRSR") of the Company for the financial year ended March 31, 2026 pursuant to the requirement of Regulation 34(2)(f) of the Securities and Exchange Board of India's ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (the "LODR Regulations"). This engagement was conducted by a multidisciplinary team including assurance practitioners and specialists.

Identified Sustainability Information

2. The Identified Sustainability Information (ISI) for the period ended March 31, 2026 is BRSR CORE (sub-set of BRSR), the attributes of which are summarised in Appendix 1 to this report. The Reporting Boundary for BRSR is as disclosed under Question No.13 of Section A: General Disclosures of the BRSR.

3. Our reasonable assurance engagement was with respect to the year ended March 31, 2026 information only and we have not performed any procedures with respect to earlier periods or any other elements included in the BRSR (i.e. non- BRSR Core attributes) and, therefore, do not express any opinion thereon.

Criteria

4. The criteria used by the Company to prepare the Identified Sustainability Information is summarized below:

   i) Regulation 34(2)(f) of the Securities and Exchange Board of India (the "SEBI") (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended;

   ii) Business Responsibility and Sustainability Reporting Requirements for listed entities per Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024, & No HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated January 30, 2026; and

   iii) Industry Standard on Reporting of BRSR Core per SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177 dated December 20, 2024.

Management's Responsibility

5. The Company's management is responsible for:

   - Selecting or establishing suitable criteria for preparing the Identified Sustainability Information including the reporting boundary of BRSR, disclosing environmental information basis operational control approach, taking into account applicable laws and regulations including the SEBI circular, related to reporting on the Identified Sustainability Information, identification of key aspects, engagement with stakeholders, content, preparation and fair presentation of the Identified Sustainability Information in accordance with the Criteria.

   - Designing, implementation and maintenance of internal controls that management determines is necessary to enable the preparation of the BRSR and the measurement of Identified Sustainability Information, which is free from material misstatement, whether due to fraud or error.

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The Management and the Board of Directors of the Company are also responsible for overseeing the Company's compliance with the requirements of LODR Regulations and the SEBI Circular in relation to the Company's BRSR sustainability reporting.

Inherent limitations

6. The preparation of the Company's BRSR information requires the management to establish or interpret the criteria, make determinations about the relevancy of the information to be included, and make estimates and assumptions that affect the reported information.

7. Measurement of certain amounts and BRSR Core attributes, some of which are estimates, is subject to inherent measurement uncertainty, for example, GHG footprint, water footprint, embracing circularity (waste management), energy footprint. Obtaining sufficient appropriate evidence to support our opinion does not reduce the uncertainty in the amounts and attributes.

Our Independence and Quality Control

8. We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA) and Code of Ethics issued by the Institute of Cost Accountants of India.

9. We have maintained our independence and confirm that we have met the requirements of the SEBI Circular No. SEBI/HO/CFD/CFD- SEC-2/P/CIR/2023/122 dated July 12, 2023, and its clarifications thereto and have the required competencies and experience to conduct this assurance engagement.

10. We have applied International Standard on Quality Management (ISQM) 1, "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements", issued by the IAASB", and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Our Responsibility

11. Our responsibility is to express a reasonable assurance opinion on the Identified Sustainability Information listed in Appendix 1 based on the procedures we have performed and evidence we have obtained.

12. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), and "Assurance Engagements Other than Assurances or Reviews of Historical Financial Information" and ISAE 3410, "Assurance Engagements on Greenhouse Gas Statement" issued by the International Auditing and Assurance Standards Board (IAASB). Those standard requires that we plan and perform our engagement to obtain reasonable assurance about whether the Identified Sustainability Information are prepared, in all material respects, in accordance with the Reporting Criteria and to obtain reasonable assurance about whether the Identified Sustainability Information summarized in Appendix 1 is free from material misstatement.

13. A reasonable assurance engagement involves assessing the suitability in the circumstances of the Company's use of the Criteria as the basis for the preparation of the Identified Sustainability Information, assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances and evaluating the overall presentation of the Identified Sustainability Information.

Balwinder & Associates FRN-000201 Cost Accountants

BALWINDER & ASSOCIATES
Cost Accountants

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Teneil IT Tower, F-549, Level IV,
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(M): +91 98141 68636, +91 92569 75986
e mail: info@costaccountant.in
website:www.costaccountant.in

Branch offices:
New Delhi
Mumbai
Lucknow
Dehradun
Shimla

14. The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

15. Below is the informative summary of the procedures performed by us for obtaining reasonable assurance:

- Obtained an understanding of the Identified Sustainability Information and related disclosures.
- Obtained an understanding of the assessment criteria and their suitability for the evaluation and/or measurements of the Identified Sustainability Information.
- Made inquiries of Company's management, including those responsible for preparing the BRSR report, finance team, human resource team amongst others and those with the responsibility for managing the Company's BRSR.
- Obtained an understanding and performed an evaluation of the design of the key processes and controls for recording, processing and reporting on the Identified Sustainability Information on sample basis of different sites. This included evaluating the design of those controls relevant to the engagement and determining whether they have been implemented by performing procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of internal controls.
- Based on the above understanding and the risks that the Identified Sustainability Information may be materially misstated, we determined the nature, timing and extent of further procedures.
- Performed substantive testing on a sample basis of the Identified Sustainability Information to verify that the data had been appropriately measured with the underlying documents recorded, collated and reported. This includes reconciling the Identified Sustainability Information with the underlying records and recalculation on a sample basis.
- Where applicable, for the Identified Sustainability Information in the BRSR, we have relied on the information in the audited financial statements of the Company for the year ended March 31, 2026 and the underlying trial balance.
- Evaluated the reasonableness and appropriateness of significant estimates and judgements made by the management in the preparation of the Identified Sustainability Information.
- Obtained representations from Company's management.

We also performed such other procedures as we considered necessary in the circumstances. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion.

Exclusions

16. Our assurance scope excludes the following and therefore we do not express an opinion on the same:

- Operations of the Company other than the Identified Sustainability Information,
- Aspects of the BRSR and the data/information (qualitative or quantitative) other than the Identified Sustainability Information.
- The statements that describe expression of opinion, belief, aspiration, expectation, aim, or future intentions provided by the Company.
- Data and information outside the defined reporting period i.e., from 1 April 2025 to 31 March 2026.

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Other Information

17. The Company's management is responsible for the other information. The other information comprises the information included within the BRSR other than Identified Sustainability Information and our independent assurance report thereon.

18. Our opinion on the Identified Sustainability Information does not cover the other information and we do not express any form of assurance thereon. In connection with our assurance engagement of the Identified Sustainability Information, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Identified Sustainability Information or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Reasonable assurance Opinion

19. Based on the procedures we have performed and the evidence we have obtained, the Identified Sustainability Information listed in Appendix 1 for the year ended March 31, 2026 are prepared in all material respects, in accordance with the Criteria (as stated under "Criteria").

Restriction on use

20. Our Reasonable report has been prepared and addressed to the Board of Directors of the Company at the request of the Company solely to assist the Company in reporting on Company's Sustainability performance and activities. Accordingly, we accept no liability to anyone, other than the Company. Our Reasonable Report should not be used for any other purpose or by any person other than the addressees of our report. We neither accept nor assume any duty of care or liability for any other purpose or to any other party to whom our report is shown or into whose hands it may come without our prior consent in writing.

For **Balwinder & Associates**
Cost Accountants
ICMAI FRN: 000201

Balwinder & Associates FRN-000201 Cost Accountants

Dr. Balwinder Singh
Partner

Place of Signature: Mohali
Date: 09.09.2026

UDIN: 2619898ZZ4OUSDP6I3

BALWINDER & ASSOCIATES
Cost Accountants

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Appendix – 1

Identified Sustainability Information (BRSR Core KPIs) of "KIOCL Limited"

S. No	Attribute	Principle and indicator reference	Parameter
1	Green-house gas (GHG) footprint	Principle 6, E-7	1. Total Scope 1 emissions 2. Total Scope 2 emissions 3. GHG Emission Intensity (Scope 1 +2) per rupee of turnover adjusted for Purchasing Power Parity (PPP) and in terms of physical output or services
2	Water footprint	Principle 6, E-3 and E-4	1. Total water consumption 2. Water consumption intensity per rupee of turnover adjusted for PPP and in terms of physical output or services 3. Water Discharge by destination and levels of Treatment
3	Energy footprint	Principle 6, E-1	1. Total energy consumed 2. Percentage of energy consumed from renewable sources 3. Energy intensity per rupee of turnover adjusted for PPP and in terms of physical output or services
4	Embracing Circularity (waste management)	Principle 6 – E9	1. Total waste generated 2. Waste intensity per rupee of turnover adjusted for PPP and in terms of physical output or services 3. Each category of waste generated, total waste recovered through recycling, re using or other recovery operations 4. For each category of waste generated, total waste disposed by nature of disposal method
5	Enhancing Employee Wellbeing and Safety	Principle 3 – E1(C) Principle 3- E11	1. Spending on measures towards well-being of employees and workers - cost incurred as a % of total revenue of the Company 2. Details of safety related incidents for employees and workers ((including contract-workforce)
6	Enabling Gender Diversity in Business	Principle 5 – E3(b) Principle 5 – E7	1. Gross wages paid to females as percentage of wages paid 2. Complaints on POSH
7	Enabling Inclusive Development	Principle 8 – E4 Principle 8 – E5	1. Input material sourced from following sources as percentage of total purchases – Directly sourced from MSMEs/ small producers and from within India 2. Job creation in smaller towns (as % of total wage cost)

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8	Fairness in Engaging with Customers and Suppliers	Principle 9 – E7 Principle 1 – E8	1. Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events 2. Number of days of accounts payable
9	Open-ness of business	Principle 1 – E9	1. Concentration of purchases & sales done with trading houses, dealers, and related parties 2. Loans and advances & investments with related parties.

Balwinder & Associates FRN-000201 Cost Accountants

CEO / CFO CERTIFICATION

We, the undersigned in our respective capacities as Chief Executive Officer & Chairman-cum-Managing Director and & Chief Financial Officer of KIOCL Limited to the best of our knowledge and belief certify that: -

a) we have reviewed the financial statements and Cash Flow Statement for the year ended 31st March, 2026 and that to the best of our knowledge and belief:

   i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

b) to the best of our knowledge and belief, no transactions were entered into by the company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct;

c) we accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and we have taken steps to rectify these deficiencies;

d) We have indicated to the Auditors and the Board (Due to absence of Audit Committee):

   i) significant changes in internal control over financial reporting during the year;

   ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

	Sd/-	Sd/-
	(Ganti Venkat Kiran)	(Ram Krishna Mishra)
	Chairman-cum-Managing Director	PAN: AAVPM8846M
Place: Bangalore	& Chief Executive Officer	Chief Financial Officer
Date : 13.08.2026	DIN: 07605925	

DECLARATION UNDER REGULATION 26(3) READ WITH PART DOF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

COMPLIANCE WITH CODE OF CONDUCT

In Compliance with Regulation 17(5) & 26(3) read with Part D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March 2026.

SD/-
(Ganti Venkat Kiran)
Chairman-cum-Managing Director
& Chief Executive Officer
(DIN: 07605925)

Place: Bengaluru
Date: 13.08.2026

Form No.-MR-3

SECRETARIAL AUDIT REPORT

For the Financial year ended 31st March, 2026

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
KIOCL Limited
II Block, Koramangala,
Bangalore- 560034

We have conducted the secretarial audit of the compliance of applicable statutory provisions

and the adherence to good corporate practices by **M/s. KIOCL Limited** (CIN: L13100KA1976GOI002974) (hereinafter called the Company). Guidelines on Secretarial Audit issued by the Institute of Company Secretaries of India (the ICSI) that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of **KIOCL Limited** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, the explanations and clarification given to us and the representation made by the management, We hereby report that in our opinion, the Company has, during the audit period covering the Financial year ended on 31st , March, 2026 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the **KIOCL Limited** for the financial year ended on 31st , March, 2026, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; Not applicable to the Company during the financial year under review;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading Regulations) 2015,

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **Not applicable as there was no reportable event during the financial year under review**;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulation, 2021 - **Not applicable as the Company has not issued any Share/Options during the period under review**;

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021- **Not applicable as the Company has not issued any debt securities during the period under review**;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021- **Not applicable as the Company has not delisted its equity share from stock exchange during the period under review**; and

(h) The Securities Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not applicable as the Company has not bought back any of its securities during the period under review**;

(vi) The guidelines issued by Department of Public Enterprises

(vii) Other laws specifically applicable to the Company, as informed by the Management:

(a) The Mines Act, 1952;

(b) Mines and Minerals (Development and Regulation) Act, 1957;

(c) The Iron Ore Mines Manganese Ore Mines & Chrome ore mines Labor Welfare Fund Act, 1976;

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) SEBI (Listing Obligations and Disclosure Requirements), Regulation 2015 and

(iii) Listing Agreements entered into by the Company with National Stock Exchange (NSE) and BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

We further report that, the Company has usually filed the forms and returns with Ministry of Corporate Affairs/ Registrar of Company under Companies Act 2013 or other authorities under other applicable laws within the prescribed time.

We further report that, the Board of Directors of the Company was not duly constituted as the Company does not have requisite number of Independent Directors including women independent director on its Board. In view of the absence of requisite Independent Directors, all the Board's committees i.e. Audit Committee, Nomination & Remuneration Committee, Stakeholder Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee (CSR) were not properly constituted during some period of the year under review. The Company, being a Public Sector Undertaking, appointment of adequate number of Directors/ Independent Directors/Women Independent Director on the Board of the Company is to be done by the Administrative Ministry. Requests have also been made by the Company to the Administrative Ministry during the period under review.

We further report that the Company has maintained Structured Digital Database software (hereinafter referred to as "SDD" or the Database) as required under Regulation 3(5) & 3(6) of PIT Regulations, 2015 to record Unpublished Price Sensitive Information (UPSI).

We further report that, the compliance by the Company of applicable financial laws such as Direct and Indirect Tax Laws and maintenance of financial record and books of accounts have not been reviewed in this audit since the same have been subject to review by Statutory Financial Auditors, CAG Auditors, Tax Auditors, Internal Auditors, Cost Auditors, and other designated professionals.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, except for meetings called at a shorter notice and a system exists for seeking and obtained further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting member's views, if any, are captured and recorded as part of the minutes.

We further report that, the company has complied with all the committee meeting compliances and all the committee meetings were duly held during the year as required under the law except resultant noncompliance due to not having requisite constitution of the committees.

We further report that, the company has filed various disclosures as applicable with BSE & NSE.

During the Audit period, the company complied with the provisions of the act, rules, regulations, guidelines, etc. mentioned above subject to the observations as detailed in the annexure that follows.

We further report that, based on the review of compliance mechanism established by the Company and on the basis of the Compliance Certificates issued by the Company Secretary/ the Chairman and Managing Director and taken on record by the Board of Directors at their meetings, we are of the opinion that there are adequate system and processes in the Company to commensurate with the size and operations of the Company and to monitor and ensure compliance with the size and operation of the Company and to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that as informed, the company has responded appropriately to notices received from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further report that as per explanations and management representations obtained and relied upon by us, during the audit period, there is no such specific events/actions having major bearing on the Company's affairs had taken place.

We further report that during the audit period;

(i) No event has occurred which has a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

(ii) During the year, there were no other instances of

  (a) Public / Right / preferential issue of shares / debentures /sweat equity, etc.

  (b) Redemption / buy-back of securities

  (c) Merger / amalgamation / reconstruction, etc.

  (d) Foreign technical collaborations.

This report is to be read with our letter of event date which is annexed as Annexure hereto and forms part to this report.

For J. K. Das & Associates
Company Secretaries

Sd/-
CS J. K. Das,
C. P. No. 4250
Membership No. FCS 7268
UDIN: F007268H000981483
Peer Review Certificate No.1748/2022

Place: Kolkata
Date: 30-07-2026

ANNEXURE TO THE SECRETARIAL AUDIT REPORT

To
The Members,
KIOCL Limited
II Block, Koramangala,
Bangalore- 560034

Our Secretarial Audit Report for the Financial Year ended 31st March, 2026, is to be read along with this letter.

Management's Responsibility:

The responsibilities of the management of the Company are as under:

1. It is the responsibility of the management of the Company to maintain secretarial records devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor’s Responsibility:

2. Our responsibility is to express an opinion on these secretarial records, standard and procedures followed by the Company with respect to secretarial compliances.

3. We believe that audit evidence and information obtained from the Company’s management is adequate and appropriate for us to provide a basis for our opinion.

4. Wherever required, we have obtained the Management Representation about the compliance of aforesaid Laws, Rules, Regulations, Standards, Guidelines and happening of events etc.

5. We have not verified the correctness and appropriateness of financial records and Books of Account of the Company or examined any books, information or statements other than Books and Papers.

6. We have not examined any other specific laws except as mentioned above

Disclaimer:

7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For J. K. Das & Associates
Company Secretaries

Sd/-
CS J. K. Das,
C. P. No. 4250
Membership No. FCS 7268
UDIN: F007268H000981483
Peer Review Certificate No.1748/2022

Place: Kolkata
Date: 30-07-2026

OBSERVATION OF SECRETARIAL AUDITOR FOR FINANCIAL YEAR ENDED 31ST MARCH 2026

Sl. No	OBSERVATIONS
1.	The Company is non-compliant with the provisions of Section 149 of the Companies Act, 2013 and the rules made thereunder, as well as the relevant regulations under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Companies (Appointment and Qualification of Directors) Rules, 2014. Specifically, the non-compliance pertains to the non-appointment of the requisite number of Independent Directors on the Board of Directors of the Company and the Committees thereof. Regulation 17(1) – Composition of the Board of Directors Regulation 18(1) – Constitution of Audit Committee Regulation 19(1)/ (2) – Constitution of Nomination and Remuneration Committee Regulation 20(2)/(2A) – Constitution of Stakeholders Relationship Committee Regulation 21(2) – Constitution of Risk Management Committee
2.	The requisite number of Independent Directors were not appointed on Board of the Company as contemplated in the Clause 3.1.4 and Clause 4.1.1 of DPE Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSE) issued by the Department of Public Enterprises (DPE), Ministry of Heavy Industries and Public Enterprises, Government of India vide their O. M. No. 18/ (8)/2005-GM dated 14th May, 2010. Accordingly, clause 3.1.4., which provides that at least onethird of members should be independent directors, has not been complied.
3.	The Company has not compiled with the requirement to have at least one women director for the financial year 2025-26 as required under section 149(1) of Companies Act, 2013
4.	The Company had non-compliance with the Regulation 38 of SEBI (LODR) Regulations, 2015 - the public shareholding of the Company is 0.97% against the required public shareholding of 25%.
5.	The composition of the Stakeholders' Relationship Committee was not in conformity with Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period up to 14 May 2025. The Company reconstituted the Committee on 15 May 2025, thereby restoring compliance with the Regulation."
6.	The composition of the Risk Management Committee was not in conformity with Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from 01.04.2025 to 14.05.2025. The Committee was reconstituted on 15.05.2025, and the Company thereafter complied with the requirements of the Regulation."

For J. K. Das & Associates
Company Secretaries

Sd/-
CS J. K. Das,
C. P. No. 4250
Membership No. FCS 7268
UDIN: F007268H000981483
Peer Review Certificate No.1748/2022

Place: Kolkata
Date: 30-07-2026

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

(In terms of Regulation 34(3) and Schedule V (E) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members,
KIOCL Limited
II Block, Koramangala,
Bangalore-560 034

We have examined all the relevant records of **M/s KIOCL Limited** (Company), for the purpose of certifying compliance of the conditions of Corporate Governance pursuance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31st March, 2026.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and as applicable as on 31st March, 2026 except the following:-

i. The Company did not have a woman director on Board as required under the Regulation 17(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

ii. The Company did not have quorum of Board meetings as required under the Regulation 17(2A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

iii. The Company had non-compliance with the constitution of audit committee as required under the Regulation 18(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

iv. The Company had non-compliance with the constitution of nomination and remuneration committee as required under the Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

v. The composition of the Stakeholders' Relationship Committee was not in conformity with Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period up to 14 May 2025. The Company reconstituted the Committee on 15 May 2025, thereby restoring compliance with the Regulation."

vi. The composition of the Risk Management Committee was not in conformity with Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period upto 14.05.2025. The Committee was reconstituted on 15.05.2025, and the Company thereafter complied with the requirements of the Regulation."

vii. The Company had non-compliance with the Regulation 38 of SEBI (LODR) Regulations, 2015 - the public shareholding of the Company is 0.97% against the required public shareholding of 25%.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For J. K. Das & Associates
Company Secretaries

Sd/-
CS J. K. Das,
C. P. No. 4250
Membership No. FCS 7268
UDIN: F007268H000981670
Peer Review Certificate No.1748/2022

Place: Kolkata
Date: 30-07-2026

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

Pursuant to Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members,
KIOCL Limited
II Block, Koramangala,
Bangalore- 560034

I have examined the relevant registers, records, forms and returns of M/s. KIOCL Limited having CIN: L13100KA1976GOI002974 and having registered office at II Block, Koramangala, Bangalore-560034 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing Certificate in accordance with Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

On the basis of disclosures / declarations received from the Directors and taken on record by the Board of Directors and according to the verifications (including DIN Status of Directors at the portal (www.mca.gov.in) as considered necessary and explanations furnished to me by the Company. I hereby certify that none of the three Directors on the Board of the Company as stated below for the Financial Year ended as on 31st March, 2026, has been debarred or disqualified from being appointed or continuing as Director of Companies by the SEBI / Ministry of Corporate Affairs or any such other statutory authority.

Sl. No	Name of Director	DIN	Date of appointment in Company
1.	Shri. Binay Krushna Mahapatra	09613777	30/08/2022
2.	Shri. GopalaKrishnan Ganesan	11163002	11/06/2025
3.	Shri Venkat Kiran Ganti	07605925	22/09/2023
4.	Shri Changdev Sukhadev Kamble	09351638	15/04/2025

Ensuring the eligibility of / for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For J. K. Das & Associates
Company Secretaries

SD/-
CS J. K. Das,
C. P. No. 4250
Membership No. FCS 7268
UDIN: F007268H000981846
Peer Review Certificate No.1748/2022

Place: Kolkata
Date: 30-07-2026

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF KIOCL LIMITED FOR THE YEAR ENDED 31 MARCH 2026

The preparation of Financial Statements of KIOCL Limited for the year ended 31 March 2026 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 27 March 2026.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6) (a) of the Act of the Financial Statements of KIOCL Limited for the year ended 31 March 2026. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under Section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

A COMMENTS ON FINANCIAL POSITION	COMMENTS ON FINANCIAL POSITION
BALANCE SHEET	BALANCE SHEET
(i) Note- 3.3- Right-of-Use Assets: ₹16,135.99 Lakh The above includes ₹6.57 crore towards leasehold rights over 52.86 acres of land allotted by Karnataka Industrial Areas Development Board (KIADB) at Mangalore for construction of a railway siding under an agreement dated 30 December 2008 for a period of 20 years. The Company has recognised the amount as a "Right-of-Use Asset" and classified it as an intangible asset. As per Paragraph 97 of Ind AS 38, the depreciable amount of an intangible asset with a finite useful life shall be amortised on a systematic basis over its useful life. The lease agreement grants KIOCL a right to use the land for a fixed period of 20 years, i.e., from December 2008 to December 2028. However, the Company has not amortised the aforesaid intangible asset over the lease period. Non-amortisation of the Right-of-Use Asset has resulted in understatement of depreciation and amortisation expense and consequent overstatement of profit by ₹5.69 crore (₹6.57 crore ÷ 20 years × 17 years and 4 months).	As per paragraph 32 of Ind AS 116, If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the lessee shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. As per paragraph 58 of Ind AS 16, a land has an unlimited useful life and therefore is not depreciated. In the given case, the underlying asset is a land and the Management is reasonably certain that purchase option will be exercised. An amount of Rs. 583.17 lakhs paid towards allotment and EMD at the inception of the lease will be adjusted against the purchase price of Land at the end of the tenure and balance of Rs. 74.08 lakhs incurred for registration and incidental charges shall be reviewed and during the FY 2026-27 for amortisation. Therefore, the treatment of non-amortization of the Right of Use Asset is per the applicable accounting standards.
(ii) Note- 11- Other Current Assets : ₹4,546.79 Lakh The above includes ₹79.83 lakh towards "GST Cess Eligible ITC". As per Section 11(2) of the GST (Compensation to States) Act, 2017, input tax credit of Compensation Cess is maintained separately and can be utilised only for payment of Compensation Cess on outward taxable supplies. It cannot be cross utilised against any other GST liability. The Company exited its Export Oriented Unit (EOU) status with effect from 07 August 2025. Further, the Government of India, vide Notification No. 02/2025-Compensation Cess (Rate) dated 17 September 2025, prescribed a nil rate of Compensation Cess on all goods. Consequently, the Company will not have any future outward Compensation Cess liability against which the accumulated credit of ₹79.83 lakh can be utilised. Therefore, the credit had ceased to be recoverable and should have been provided for in the accounts in accordance with prudent accounting principles. Hence, non-accounting of the same resulted in overstatement of Other Current Assets and profit, and understatement of expenditure by ₹79.83 lakh.	The view of the audit is noted and necessary accounting entry will be done in accounts of FY 2026-27

B	COMMENTS ON PROFITABILITY	
(i)	**Note - 18.1- Revenue from Operations : ₹61,346.41 Lakh** **Other Operating Revenue** An amount of ₹224.21 lakh was recognised under Other Operating Revenue as "Provision no longer required" on account of reversal of wharfage charges payable to the New Mangalore Port Authority (NMPA). While finalising the wharfage charges for 2023-24 at a concessional rate, NMPA had specifically stipulated that the expenditure excluded from recovery, including dredging-related charges of ₹214.72 lakh, would be recovered in subsequent years upon improvement in the Company's financial position. Thus, the concession represented only a deferment of recovery and not a waiver of the liability. In terms of Ind AS 37, a provision can be reversed only when the present obligation no longer exists or an outflow of economic resources is no longer probable. Further, paragraphs 50 to 59 of Ind AS 115 permit recognition of revenue relating to variable consideration only when it is highly probable that a significant reversal will not occur. No evidence was made available to Audit indicating that NMPA had waived or relinquished its right to recover the amount. Accordingly, the liability continued to exist as on 31 March 2026. Thus, reversal of the provision was not justified. Consequently, Other Operating Revenue and Profit Before Tax were overstated by ₹224.21 lakh, with a corresponding understatement of liabilities.	Based on the confirmation the final wharfage charges for the year 2023-24 excess provision of ₹ 224.21 lakhs reversed and recognised as provision no longer required, accordingly there is no overstatement of operating profit.
(ii)	**Note 9.1: Trade Receivables (Current): ₹ 3,539.39 lakh** **Note 23.2: Expected Credit Loss (ECL): ₹ 137.25 lakh** **Expected Credit Loss on Trade Receivables** The above includes credit impaired trade receivables of ₹557.77 lakh assessed by the Management through its provision matrix. Paragraph 5.5.17 of Ind AS 109 Financial Instruments requires entities to measure expected credit losses in a manner that reflects an unbiased and probability-weighted amount determined by evaluating a range of possible outcomes and using reasonable and supportable information available without undue cost or effort. Audit observed that the Company's methodology for computation of default rates under the ECL model was deficient. While computing average default rates based on data of the preceding 12 quarters, the Company adopted an inconsistent approach of capping default rates exceeding 100 per cent at 100 per cent, while considering negative default rates, including values as low as (-) 472 per cent, without applying any floor. This inconsistent treatment resulted in suppression of average default rates and consequent understatement of impairment across ageing buckets. If negative default rates were restricted to a floor of zero, the ECL would have been ₹1,044.37 lakh as against ₹557.77 lakh, leading to a short provision of ₹486.60 lakh. This resulted in understatement of Expected Credit Loss by ₹486.60 lakh and overstatement of Trade Receivables and Profit Before Tax to the same extent.	The view of the audit is noted for revisiting methodology of computation of default rates during the FY 2026-27. The ECL computation has been reviewed, significant portion of Accounts receivable was not due as at 31.03.2026, but considered due in the ECL computation. Based on the revised computation (considering amount not due as stated above) with negative default rates restricted to a floor of zero, there is no short provision of ECL. Therefore, there is no understatement of credit loss and over statement of Trade Receivable and Profit Before Tax.

FINANCIAL STATEMENTS

Independent Auditors' Report

To,
The Members of KIOCL Limited,
Report on the Standalone Ind AS Financial Statements:

Opinion

We have audited the accompanying Standalone Ind AS financial statements of KIOCL Limited ("the Company") which comprises the Standalone Balance Sheet as at 31st March 2026, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flows for the year then ended and the Standalone Statement of Changes in Equity for the year then ended, and Notes to the Standalone Financial Statements, including material accounting policies and other explanatory information (herein after referred to as "Standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2026, the Profit including Other Comprehensive Income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Ind AS financial statements.

Emphasis of Matters

1. Kudremukh Mining Operations

   Attention is drawn to Note No. 3.1 along with foot note thereto and Note No. 28.3.4 of the Standalone Ind AS financial statements on the Kudremukh mine site from where iron ore was extracted by KIOCL Limited and has been suspended due to the order of the Hon'ble Supreme Court in 2006 and all the assets located therein are either disposed of or transferred to Pellet Plant. Owing to disputes relating to land and pending issues on surrender of mines, the buildings in the township are reduced to 'NIL' value. The Company is of the view that pending the decision of the Government of Karnataka, since Lakhya dam therein is the main water source for the pellet plant, the asset continues to be shown under PPE.

2. Blast Furnace Unit (BFU)

   Attention is drawn to Note No.1.9, Note No. 3.1 and Note No.3.2, along with additional information thereto and Note No. 28.3.7 of the Standalone Ind AS financial statements on

   a) Blast Furnace Unit (BFU) included in Note. No.3.1(Property, Plant and Equipment), which is not in operation since 2009, since it is not economically viable in running the unit. As per the valuation report provided by the Independent Valuer, the recoverable amount in each class of BFU are more than the carrying amount and hence, no impairment loss is recognised.

   b) Capital work in progress shown in Note No.3.2 includes projects towards Forward and Backward Integrations in order to utilise the Blast Furnace Unit. These projects have not got concluded due to various reasons as stated in Note No.28.3.7 of the Standalone Financial Statements. The Management is of the view that there does not arise any impairment loss on such project assets, as the recoverable amount on such projects are more than the carrying amount.

3. Right to Use (ROU) Asset- The allotment of land by M/s Karnataka Industrial Areas Development Board (KIADB) at Mangalore and Doddaballapura.

   Attention is drawn to Note No. 3.3 along with additional information thereto and Note No 28.2.5.

   The Company was allotted 52.87 Acres of land at Mangalore in 2008 for the purpose of building a Railway siding and

17,483 Sq.mtrs at Doddaballapura in 2016 for the purpose of setting up an R & D Centre. As per the terms and conditions of the agreement (leased land at Mangalore) the company was supposed to start construction of the Railway siding within 4 years from the date of allotment of land, failing which the Company would have to pay the difference in the cost of the land from the date of allotment to the actual date of construction. However, the company is in discussion with M/s KIADB for revising the entire lease agreement. As far as the Leased land at Doddaballapura, the company has written to KIADB for removing encroachments to enable them to use the leased land which is yet to be done by KIADB.

The ultimate outcome of the matters is uncertain and the positions taken by the management are based on the application of their best judgement, the Company is of the view that pending the decision of the M/s KIADB, the asset continues to be shown under ROU.

4. Mining Rights in Devadari Range in Bellary District for Mining of Iron Ore and Manganese Ore.

Attention is drawn to Note No.1.6, Note No.1.8, Note No.4 in connection with Mining Rights – "Mining Rights" under "Other intangible Assets" and Note No.28.3.5. The Mining Rights was reserved by GOK to the Company during 2017, in the Devadari Range in Bellary District in Karnataka State. The Company had already obtained necessary statutory clearances and also executed and registered Lease deed in 2023 in this regard. This Mining Right was capitalized by the Company during 2023-24 after, satisfying the criteria set forth in the Accounting Standard Ind AS 38 (Para 21) in that the said expenditure demonstrates that the expected future economic benefits that are attributable to the asset will flow to the company and that the cost of the asset could be measured reliably.

In this connection, reference is invited to the Note No.28.3.5, wherein the matters leading to non-handover of the forest land and also not providing working permission to commence the mining activities, as stated therein, the company is yet to commence the mining activities at the aforementioned site.

We draw reference to Note No.1.6, where it has been stated that intangible assets are amortized over their respective estimated useful lives on a straight-line basis, from the date that they are available for use and that as stated in Note No.1.8, no amortization is charged on the Mining Rights, before the start of the commercial production, the Mining Rights has not been amortized, as they are not available for use and commercial production has not commenced for the reasons stated in the above para.

5. Non fulfilment of certain requirements under Companies Act, 2013 and SEBI (LODR):

We refer to Note no 28.3.19 and to our Annexure A to this Independent Auditors' Report para 5(a.1), wherein it had been stated that the Company has not complied with the Composition of the Board, the holding of minimum number of Directors, Independent Directors, appointment of a Woman Director and non-constitution of Audit Committee, Nomination and Remuneration Committees as required under the Ministry of Finance (Companies Act, 2013) and SEBI (LODR).

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
1.	**Property, Plant & Equipment (PPE), Capital Work in Progress (CWIP), Intangible Assets, and its impairment** There are areas where management judgement impacts the carrying amount of property, plant and equipment, capital work in progress, intangible assets and their respective depreciation / amortization rates and impairment. These include the nature, duration, estimated amount and amount incurred on project carried out, and decision to capitalize or expense costs; the annual asset life review; the timeliness of the capitalization of the assets and the use of the management assumptions and estimates for the determination or the measurement and recognition criteria for assets retired from active use and its impairment. These amounts incurred on capital work in progress, capitalization and annual impairment test are considered to be a key audit matter due to the complexity of the accounting requirements and the significant judgement required in determining the key assumptions, including estimates of future sales volumes and prices, operating costs, terminal value growth rates, capital expenditure and the weighted-average cost of capital (discount rate), to be used to estimate the recoverable amount. [Refer Note No. 2, 3.1, 3.2, 4 & 28.3 to the Standalone Ind AS financial statements]	Due to the materiality in the context of the balance sheet of the Company in respect of PPE, CWIP, Intangibles and considering the age of the PPE of the Company, and the level of judgement and estimates required, we consider these to be as area of significance. We assessed the controls in place over the PPE life cycle, evaluated the appropriateness of capitalization process, performed tests of details on costs capitalized, the timeliness of the capitalization of the assets and de-recognition criteria for the assets retired from active use and its impairment. We reviewed the policies for CWIP. Understanding and testing of design and operating effectiveness of internal controls in place related to approval process for capitalization. Tested the control procedure for identification of cost incurred for specific projects. Performed substantive procedures on sample basis for amounts capitalised and amounts added to CWIP during the year. Assessments made by management on the status of the projects and its future depending on balance work to be performed or approvals to be received was also made. Examined the disclosures made in respect of CWIP in compliance with Ind AS-16 and Schedule III to the Companies Act 2013. In performing these procedures, we reviewed the judgements made by the management including the nature of underlying costs capitalized; nature and amount in CWIP, determination of realizable value of the assets retired from active use; the appropriateness of assets lives applied in the calculation of depreciation; the useful lives of the assets prescribed in Schedule II of Companies Act, 2013 and the useful lives of certain assets as per the technical assessment of management and its impairment. In case of realizable value for assets retired from active use, we have relied upon the independent valuation report obtained by the management and provided to us. We've observed that the management has regularly reviewed the aforesaid judgments and there are no material changes.

<table>
<tr><th>Sr. No.</th><th>Key Audit Matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>2.</td><td>Adoption of Ind AS 116 Leases

The Company has adopted Ind AS 116 Leases. The application and transition to this accounting standard is complex and is an area of focus in our audit since the Company has a large number of leases with different contractual terms.

Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognize a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract / arrangement. Adoption of the standard involves significant judgements and estimates including, determination of the discount rates and the lease term. Additionally, the standard mandates detailed disclosures in respect of transition.

[Refer Note No. 3.3, 13.1, 15.1 & 28.2.5 to the Standalone Ind AS financial statements]</td><td>Our audit procedures on adoption of Ind AS 116 include:

• Assessed and tested the process and controls in respect of the lease accounting standard (Ind AS 116);

• Assessed the Company's evaluation on the identification of leases based on the contractual agreements and our knowledge of the business;

• Evaluation of reasonableness of the discount rates applied in determining the lease liabilities;

• On a sampling basis, we performed the following procedures:

a. Assessed the key terms and conditions of each lease with the underlying lease contracts; and

b. Evaluated computation of lease liabilities and challenged the key estimates such as, discount rates, escalation in lease payments and the lease term.

• Assessed and tested the presentation and disclosure relating to Ind AS 116

Based on the above audit procedures, the presentation and disclosures in the Standalone Ind AS financial statements are in accordance with the standard.</td></tr>
<tr><td>3.</td><td>Defined benefit obligation

The valuation of the retirement benefit schemes in the Company is determined with reference to various actuarial assumptions including discount rate, rate of inflation and mortality rates. Due to the size of these schemes, small changes in these assumptions can have a material impact on the estimated defined benefit obligation.

[Refer Note No. 1.15, 14, 17 & 28.2.1 to the Standalone Ind AS financial statements]</td><td>We have examined the key controls over the process involving member data, formulation of assumptions and the financial reporting process in arriving at the provision for retirement benefits. We tested the controls for determining the actuarial assumptions and the approval of those assumptions by senior management. We found these key controls were designed, implemented and operated effectively, and therefore determined that we could place reliance on these key controls for the purposes of our audit.

We tested the employee data used in calculating the obligation and where material, we also considered the treatment of curtailments, settlements, past service costs, re-measurements, benefits paid, and any other amendments made to obligations during the year. From the evidence obtained, we found the data and assumptions used by management in the actuarial valuations for retirement benefit obligations to be appropriate.

In this process, we have relied upon the valuation of 'actuary' in accordance with SA 620 issued by the ICAI.</td></tr>
</table>

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
4.	**Provisions and Contingent Liabilities** The Company has exposure towards litigations relating to various matters as set out in the Notes to the Standalone Ind AS Financial Statements. Significant management judgement is required to assess such matters to determine the probability of occurrence of material outflow of economic resources and whether a provision should be recognized, or a disclosure should be made. The management judgement is also supported with legal advice in certain cases as considered appropriate. As the ultimate outcome of the matters are uncertain and the positions taken by the management are based on the application of their best judgement, related legal advice including those relating to interpretation of laws/ regulations, it is considered to be a Key Audit Matter. [Refer Note No. 14, 17 & 28.1.2 to the Standalone Ind AS financial statements]	Our audit procedures in response to this matter included, among others, • Understanding, assessing and testing the design and operating effectiveness of key controls surrounding assessment of litigations relating to the relevant laws and regulations; • Discussion with the Management any material developments and latest status of legal matters; • Evaluation of management's assessment around those matters that are not disclosed or not considered as contingent liability, as the probability of material outflow is considered to be remote by the management; and • Review of adequacy of the disclosures in the notes to the financial statements. Based on the above work performed, management's assessment in respect of litigations and related disclosures relating to contingent liabilities/other significant litigations in the Standalone Ind AS Financial Statements are considered to be reasonable.
5.	**Inventory Management** The Company was majorly dependent on a single vendor for procurement of raw material i.e., iron ore fines, required for the production of its finished goods i.e., pellets. This could have an impact on the uninterrupted production process of the Company if the raw materials required were not available on a timely basis as per the procurement or production schedule of the Company.	We observed that the Company was majorly dependent on a single vendor for procurement of raw materials (iron ore fines) and during the year we observed that the production process was disrupted for a considerable amount of time and had during the previous year, entered into contract with M/s. NMDC for extending pellet manufacturing services on job work.(Refer to Note No.28.3.15 to the Standalone Ind AS financial statements). We were informed by the management that the Company is in the process of finding alternative source of raw material (Iron ore fines) from Odisha which require additional facilities in the manufacturing process like vertical pressure filter which has been capitalized during the year. We have relied upon the management replies and documents provided in this process. KIOCL during the earlier year had obtained the second stage approvals for mining in Devadari mines, Bellary district, therefore their dependency on NMDC will be reduced in the coming financial years.

Information Other than the Standalone Ind AS Financial Statements and Auditor's Report thereon

1. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Ind AS financial statements and our auditor's report thereon.

2. Our opinion on the Standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

3. In connection with our audit of the Standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Standalone Ind AS Financial Statements

1. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013, with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position and financial performance, changes in equity and cash flows of the Company in accordance with the Accounting Principles generally accepted in India, including the Accounting Standards (Ind AS) specified under section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

2. In preparing the Standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

3. The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

1. Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS financial statements.

2. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

   - Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt

     on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS financial statements or, if such disclosure is inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

   - Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

3. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

4. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

5. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required under the directions, specific directions and sub-directions issued by the Comptroller and Auditor General of India in terms of Sub-section (5) of Section 143 of the Companies Act 2013, we are enclosing our report in "Annexure A".

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub- section (11) of section 143 of

   the Companies Act, 2013, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable to our report.

3. A. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (Including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) As per notification number G.S.R. 463(E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, section 164(2) of the Act regarding the disqualifications of Directors is not applicable to the Company, since it is a Government Company;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure C".

   (g) As per notification number G.S.R. 463 (E) dated 5th June 2015 issued by Ministry of Corporate Affairs, section 197 of the Act regarding remuneration to director is not applicable to the Company, since it is a Government Company

   B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   (a) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements. Refer Note No. 28.1.2 of the Standalone Ind AS financial statements.

   (b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   (c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   (d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entity ("Intermediary"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person or entity, including foreign entity ("Funding Party"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.

(e) The company has not paid any dividend during the year.

(f) Based on our examination which included test checks, the Company has used accounting software for maintaining its books of accounts, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all transactions recorded in the software. Further during the course of our audit, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per the statutory requirements of record retention.

For G BALU ASSOCIATES LLP
Chartered Accountants
FRN:000376S/S200073

CA R. RAVISHANKAR
Partner
Membership No.:026819

Place: Bengaluru
Date: 27th May 2026
UDIN:

Annexure – A to the Independent Auditors' Report

Referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report to the Members of the Company of even dated.

Report on Directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013

1. **Assess the fair valuation of all the investments, both quoted and unquoted, made directly by the Company or through Trusts, for Post retirement benefits of the employees. This includes verifying valuation methodologies, ensuring consistency with Ind AS and reviewing supporting documentation. The auditor shall provide a brief note on the valuation approach, its reasonability, and compliance with applicable regulations, reporting any material deviations or misstatements.**

   a. We have assessed the fair valuation of investments held by the company through trust (i.e., PF Trust [KIOC EPF TRUST), in respect of post-retirement employee benefit obligations. The investments are valued on an actuarial basis. The valuation methodologies adopted appeared to be reasonable and in line with the generally accepted practices. No material deviations are misstatements were observed in the valuation of these investments.

   It is to be noted that the provisions of IndAS are not applicable to Trusts.

   b. The Company has covered the postretirement benefit i.e., gratuity benefit and medical benefit, through a master policy in Life Insurance Corporation of India, and hence the reporting under this clause does not arise for the same.

2. **Whether the Company has a system in place to process all the accounting transactions through IT system? If yes, whether review of this system and controls that are significant to the Companies' financial reporting process as well as cyber security has been done by Information Security Auditing Organisations empaneled by Cert-In at a minimum frequency of once in a year and material discrepancies found, if any, have been suitably reported? The implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications may also be reported.**

   a. The Company has a system in place to process all accounting transactions through its IT system.

   b. The Company has appointed a CERT-In empanelled organisation, on 11th March 2026, to conduct its Cyber Security-Infrastructure audit, IT Audit, VAPT and Security and compliance Audit. We have been informed that the said organisation had completed their verification and their final report is awaited. Hence pending the receipt of their reports, we are unable to comment on any material discrepancies reported by them.

3. **Whether funds (grants/ subsidy etc.) received/ receivable for specific schemes from Central/State Government or its agencies were properly accounted for as per the applicable accounting standards or norms and whether the received funds were utilized as per its terms and conditions? Whether accounting of interest earned on grants received has been done as per terms and conditions of the Grant. List the cases of deviation.**

   a. No funds (grants/subsidy etc.) were received or are receivable for specific schemes from the Central/State government or its agencies during the year. Hence reporting under this clause shall not arise.

4. **Whether the Company has identified the key Risk areas? If yes, whether the Company has formulated any Risk Management Policy to mitigate these risks? If yes, (a) whether the Risk Management Policy has been formulated considering global best practices? (b) whether the Company has identified its data assets and whether it has been valued appropriately?**

   a. The company has identified the key risk areas and has formulated a risk management policy to mitigate these risks. As informed by management, the policy has not been specifically benchmarked against any global framework; however, it incorporates principles considered appropriate to the company's operations and risk profile.

   b. The company has not identified any data assets and consequently these have not been subject to valuation

5. **Whether the Company is complying with the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable? If not, the cases of deviation may be highlighted.**

   a. Based on the information and explanations given to us, secretarial audit report of the company (where applicable), and audit procedures carried out by us, the company is complying with the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure

Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable, except to the following:

a. 1. Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI(LODR)), and other applicable rules and regulations of SEBI and Ministry of Company Affairs (Companies Act, 2013 (CoyAct-2013)), wherein –

   i. The company is not maintaining the minimum number of Directors in their Board, as required by under SEBI(LODR) and CoyAct-2013,

   ii. 50% of the Board of Directors should be Independent Directors, as required under SEBI(LODR) and one third of the Board of Directors should be Independent Directors, as required for under CoyAct-2013, which are not maintained by this company.

   iii. The Company does not have one Woman Independent Director as required by SEBI(LODR) and CoyAct-2013.

   iv. The Company has not constituted Audit Committee, Nomination and Remuneration Committee as required under CoyAct-2013 and SEBI(LODR).

a. 2. CERT-IN, wherein the company had appointed a Cert-In empaneled organization on 11th March 2026, to conduct its Cyber Security-Infrastructure audit, IT Audit, VAPT and Security and compliance Audit, and we have been informed that their final report is awaited.

For G BALU ASSOCIATES LLP
Chartered Accountants
FRN:000376S/S200073

CA R. RAVISHANKAR
Partner
Membership No.:026819

Place: Bengaluru
Date: 27th May 2026
UDIN:

Annexure – B to the Independent Auditors' Report

Referred to in Paragraph 2 under "**Report on Other Legal and Regulatory Requirements**" section of our report to the Members of the Company of even dated.

As per the books and records produced before us and as per the information and explanations given to us and based on such audit checks that we considered necessary and appropriate, we report that:

i. In respect of the Company's Property, Plant and Equipment (PPE) and Intangible Assets:

   a. (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plants and Equipment and relevant details of right-of-use assets. The tagging of the Asset numbers in the PPE Register to the individual Property, Plant and Equipment is yet to be done by the company.

   (B) The Company has maintained proper records showing full particulars of Intangible Assets.

   b. According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner, every year.

   As explained to us, in accordance with this programme, certain fixed assets were verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

   c. According to the information and explanations given to us and based on our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

   d. As per the information and explanation given us the Company has not revalued any of its Property, Plant and Equipment (including right of-use assets) or Intangible assets during the year.

   e. As per the information and explanation given to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. a. The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable, and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

   b. According to the information and explanations given to us, the Company has overdraft facility against deposits with banks in excess of ₹ 5 crore, in aggregate. As explained to us, since the facilities were sanctioned against fixed deposits, there were no requirement of submission of quarterly returns or statements with the banks and hence the same were not submitted by the Company.

iii. As per the information and explanation given to us, during the year, the company has not made investments in, provided any guarantee or security or granted any loans, secured or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties. Hence reporting under clause 3(iii) of paragraph 3 of the Order are not applicable.

iv. As per the information provided and explanation given to us, there are no loans, investments, guarantees, and security under section 185 and 186 of the Companies Act 2013. Hence the provisions of clause 3(iv) of paragraph 3 of the Order are not applicable.

v. As per the information provided and explanation given to us, the Company has not accepted any deposits from the public and does not have any unclaimed deposits as at March 31, 2026 and therefore reporting under paragraph 3(v) of the Order is not applicable to the Company.

vi. On the basis of records produced to us, we are of the opinion that, prima facie, the cost records prescribed by the Central Government of India under sub-section (1) of section 148 of the Companies Act, 2013 have been made and maintained. However, we are not required to and have not carried out any detailed examination of such accounts and records.

vii. According to the information and explanations given to us and on the basis of our examination of the records of the Company,

   a. The Company has generally been regular in depositing the amounts deducted/accrued in the books of account in respect of undisputed applicable statutory dues including provident fund, employees' state insurance, income tax, sales tax, and service tax, duty of customs, duty of excise, GST, Value Added Tax, cess and any other statutory dues applicable to it with the appropriate authorities.

here were no outstanding of aforesaid statutory dues as on 31st March 2026 for a period of more than six months from the date they became payable.

b. As per the information and explanations given to us, the following statutory dues have not been deposited on account of dispute:

Statute	Nature of dues	₹ In Lakhs	Period	Dispute Forum
The Central Excise Act, 1944	Non-payment of SAD on DTA clearance of Pellets	1454.11	2010-11	CESTAT
		1248.99	2011-12	
		3145.21	2011-12	
The Finance Act,1994	Service Tax	60.77	2012-14	CESTAT
The Customs Act,1962	Customs Duty	3,442.00	2022-23	CESTAT
		1,593.48	2022-23	CESTAT

viii. As per the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Hence, reporting under clause 3(viii) of the Order is not applicable.

ix. a. As per the information and explanations given to us, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b. As per the information and explanations given to us, the company has not been declared as wilful defaulter by any bank or financial institution or other lender.

c. As per the information and explanations given to us, and as per our review, prima facie, the term loans were applied for the purpose for which the loans were obtained. However, we have not carried out any detailed examination of such accounts, records and utilisation.

d. As per the information and explanations given to us, and as per our review, prima facie, funds raised on short term basis have not been utilised for long term purposes. However, we have not carried out any detailed examination of such accounts, records and utilisation.

e. As per the information and explanations given to us, the company has not taken any funds during the year from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f. As per the information and explanations given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x. a. As per the information and explanations given to us, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly or optionally convertible debentures during the year.

Hence, reporting under clause 3(x) of the Order is not applicable.

xi. a. Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the Audit.

b. According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

c. As per the information and explanation given to us, the Company has not received any whistle blower complaints during the year.

xii. The company is not a Nidhi Company. Hence, reporting under clause 3(xii) of the Order is not applicable.

xiii. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. a. In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b. We have considered, the internal audit reports issued to the company till date, for the period under audit.

xv. As per the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the company.

xvi. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and also is not a Core Investment Company (CIC) as defined in the Core Investment Companies (Reserve Bank) Directions, 2016. Hence, reporting under clause 3(xvi) (a), (b), (c) and (d) of the Order is not applicable.

xvii. The Company has not incurred cash losses during this financial year 2025-26 and the company incurred cash loss of ₹15,147.76 Lakhs in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3 (xviii) of the Order is not applicable to the Company.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. a. As per the information and explanations given to us, there are no unspent amount towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

b. In our opinion and according to the information and explanations given to us, there are no unspent amounts under Section 135(5), pursuant to any ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of The Companies Act, 2013.

xxi. As this report is being given on the Standalone Financial Statements of the Company, reporting under clause 3(xxi) is not applicable.

For G BALU ASSOCIATES LLP
Chartered Accountants
FRN:000376S/S200073

CA R. RAVISHANKAR
Partner
Membership No.:026819

Place: Bengaluru
Date: 27th May 2026
UDIN:

Annexure – C to the Independent Auditors' Report

Referred to in Paragraph 3(f) under "**Report on Other Legal and Regulatory Requirements**" section of our report to the Members of the Company of even dated.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of KIOCL LIMITED (referred to as the "Company") as of March 31, 2026, in conjunction with our audit of the Standalone financial statements of the company of the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Auditing of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide us for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures deteriorate.

Opinion

In our opinion, the Company has in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.(the "Guidance Note").

Emphasis of Matter

The Standard Operating Procedures (SOPs) and Manuals prepared in the earlier years which in our opinion, are required to be updated/modified to reflect the current practices.

Our opinion is not modified in respect of these matters.

For G BALU ASSOCIATES LLP
Chartered Accountants
FRN:000376S/S200073

CA R. RAVISHANKAR
Partner
Membership No.:026819

Place: Bengaluru
Date: 27th May 2026
UDIN:

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF KIOCL LIMITED FOR THE YEAR ENDED 31 MARCH 2026

The preparation of Financial Statements of KIOCL Limited for the year ended 31 March 2026 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 27 May 2026.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6) (a) of the Act of the Financial Statements of KIOCL Limited for the year ended 31 March 2026. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under Section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

A	**COMMENTS ON FINANCIAL POSITION**
	BALANCE SHEET
(i)	**Note- 3.3- Right-of-Use Assets: ₹16,135.99 Lakh** The above includes ₹6.57 crore towards leasehold rights over 52.86 acres of land allotted by Karnataka Industrial Areas Development Board (KIADB) at Mangalore for construction of a railway siding under an agreement dated 30 December 2008 for a period of 20 years. The Company has recognised the amount as a "Right-of-Use Asset" and classified it as an intangible asset. As per Paragraph 97 of Ind AS 38, the depreciable amount of an intangible asset with a finite useful life shall be amortised on a systematic basis over its useful life. The lease agreement grants KIOCL a right to use the land for a fixed period of 20 years, i.e., from December 2008 to December 2028. However, the Company has not amortised the aforesaid intangible asset over the lease period. Non-amortisation of the Right-of-Use Asset has resulted in understatement of depreciation and amortisation expense and consequent overstatement of profit by ₹5.69 crore (₹6.57 crore ÷ 20 years × 17 years and 4 months).

(ii)	**Note- 11- Other Current Assets : ₹4,546.79 Lakh** The above includes ₹79.83 lakh towards "GST Cess Eligible ITC". As per Section 11(2) of the GST (Compensation to States) Act, 2017, input tax credit of Compensation Cess is maintained separately and can be utilised only for payment of Compensation Cess on outward taxable supplies. It cannot be cross utilised against any other GST liability. The Company exited its Export Oriented Unit (EOU) status with effect from 07 August 2025. Further, the Government of India, vide Notification No. 02/2025-Compensation Cess (Rate) dated 17 September 2025, prescribed a nil rate of Compensation Cess on all goods. Consequently, the Company will not have any future outward Compensation Cess liability against which the accumulated credit of ₹79.83 lakh can be utilised. Therefore, the credit had ceased to be recoverable and should have been provided for in the accounts in accordance with prudent accounting principles. Hence, non-accounting of the same resulted in overstatement of Other Current Assets and profit, and understatement of expenditure by ₹79.83 lakh.
B	**COMMENTS ON PROFITABILITY**
(i)	**Note - 18.1- Revenue from Operations : ₹61,346.41 Lakh** **Other Operating Revenue** An amount of ₹224.21 lakh was recognised under Other Operating Revenue as "Provision no longer required" on account of reversal of wharfage charges payable to the New Mangalore Port Authority (NMPA). While finalising the wharfage charges for 2023-24 at a concessional rate, NMPA had specifically stipulated that the expenditure excluded from recovery, including dredging-related charges of ₹214.72 lakh, would be recovered in subsequent years upon improvement in the Company's financial position. Thus, the concession represented only a deferment of recovery and not a waiver of the liability. In terms of Ind AS 37, a provision can be reversed only when the present obligation no longer exists or an outflow of economic resources is no longer probable. Further, paragraphs 50 to 59 of Ind AS 115 permit recognition of revenue relating to variable consideration only when it is highly probable that a significant reversal will not occur. No evidence was made available to Audit indicating that NMPA had waived or relinquished its right to recover the amount. Accordingly, the liability continued to exist as on 31 March 2026. Thus, reversal of the provision was not justified. Consequently, Other Operating Revenue and Profit Before Tax were overstated by ₹224.21 lakh, with a corresponding understatement of liabilities.

(ii) **Note 9.1: Trade Receivables (Current): ₹ 3,539.39 lakh**
Note 23.2: Expected Credit Loss (ECL): ₹ 137.25 lakh
Expected Credit Loss on Trade Receivables

The above includes credit impaired trade receivables of ₹557.77 lakh assessed by the Management through its provision matrix. Paragraph 5.5.17 of Ind AS 109 Financial Instruments requires entities to measure expected credit losses in a manner that reflects an unbiased and probability-weighted amount determined by evaluating a range of possible outcomes and using reasonable and supportable information available without undue cost or effort.

Audit observed that the Company's methodology for computation of default rates under the ECL model was deficient. While computing average default rates based on data of the preceding 12 quarters, the Company adopted an inconsistent approach of capping default rates exceeding 100 per cent at 100 per cent, while considering negative default rates, including values as low as (-) 472 per cent, without applying any floor. This inconsistent treatment resulted in suppression of average default rates and consequent understatement of impairment across ageing buckets. If negative default rates were restricted to a floor of zero, the ECL would have been ₹1,044.37 lakh as against ₹557.77 lakh, leading to a short provision of ₹486.60 lakh.

This resulted in understatement of Expected Credit Loss by ₹486.60 lakh and overstatement of Trade Receivables and Profit Before Tax to the same extent.

For and on the behalf of the
Comptroller & Auditor General of India

Place: Ranchi
Date: 27 July 2026

27/7

(Jitendra Sudhakar Karape)
Director General of Audit, Steel, Ranchi

Balance Sheet

as at 31st March, 2026

₹ in Lakhs

Particulars	Note No.	As at 31st March, 2026	As at 31st March, 2025
ASSETS			
Non-Current Assets			
a) Property, plant and equipment	3.1	22,414.55	24,178.26
b) Capital work-in-progress	3.2	16,657.34	16,856.31
c) Right of use assets	3.3	16,135.99	17,059.22
d) Other intangible assets	4	55,332.82	54,032.35
e) Financial assets			
i) Loans	5.1	240.68	229.93
ii) Other financial assets	5.2	1,454.03	1,298.06
f) Deferred tax assets (net)	6	1,406.07	1,212.78
g) Other non-current assets	7	3,591.46	3,860.21
Total non-current assets		**1,17,232.94**	**1,18,727.12**
Current assets			
a) Inventories	8	14,011.04	11,920.58
b) Financial assets			
i) Trade receivables	9.1	3,539.39	2,281.08
ii) Cash and cash equivalents	9.2	7,464.47	6,882.97
iii) Bank balances other than (ii) above	9.3	75,118.69	66,099.36
iv) Loans	9.4	138.12	155.76
v) Other financial assets	9.5	5,222.86	4,049.20
c) Current tax assets (net)	10	7,055.79	6,182.47
d) Other current assets	11	4,546.79	12,542.62
Total current assets		**1,17,097.15**	**1,10,114.04**
TOTAL ASSETS		**2,34,330.09**	**2,28,841.16**
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	12.1	60,775.11	60,775.11
b) Other equity	12.2	1,12,847.66	1,10,375.25
Total Equity		**1,73,622.77**	**1,71,150.36**
Liabilities			
Non-current liabilities			
a) Financial liabilities			
i) Lease liabilities	13.1	17,450.34	17,732.00
ii) Other financial liabilities	13.2	12.87	18.08
b) Provisions	14	8,576.69	8,966.89
Total non-current liabilities		**26,039.90**	**26,716.97**
Current liabilities			
a) Financial liabilities			
i) Lease liabilities	15.1	1,736.90	1,598.67
ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	15.2	1,327.06	947.79
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	15.3	20,704.94	19,054.07
iii) Other financial liabilities	15.4	6,170.90	5,398.54
b) Other current liabilities	16	2,286.58	2,244.77
c) Provisions	17	2,441.04	1,729.99
Total current liabilities		**34,667.42**	**30,973.83**
TOTAL EQUITY AND LIABILITIES		**2,34,330.09**	**2,28,841.16**

Material accounting policies	1 and 2
Notes forming part of financial statements	1-28

For and on behalf of Board of Directors

G. V. KIRAN
Chairman-cum-Managing Director
(DIN 07605925)

B. K. Mahapatra
Director (Commercial)
(DIN 09613777)

as per our report of even date
for M/s G Balu Associates LLP
Chartered Accountants
(FRN: 000376S/S200073)

Ram Krishna Mishra
(Chief Financial Officer)
(PAN AAVPM8846M)

Clafton Siddharth
Company Secretary
(Membership No A65506)

CA. R.Ravishankar
Partner
MRN: 026819

Place : Bengaluru
Date : 27th May 2026

Statement of Profit and Loss

for the year ended 31st March, 2026

₹ in Lakhs

	Particulars	Note No.	Year ended 31st March, 2026	Year ended 31st March, 2025
I.	Revenue from operations	18.1	61,346.41	59,052.47
II.	Other income	18.2	9,479.28	5,010.25
III.	**Total Income (I + II)**		**70,825.69**	**64,062.72**
IV.	**Expenses**			
	Cost of materials consumed	19.1	281.45	16,228.22
	Changes in inventories of finished goods and work-in -progress	19.2	2,870.81	25,089.59
	Cost of consumable stores spares & additives	19.3	12,495.93	5,840.00
	Power and fuel	19.4	28,331.57	11,510.42
	Direct cost towards service contracts	20	87.15	76.36
	Employee benefits expense	21	16,497.01	15,735.41
	Finance costs	22	1,455.28	1,525.32
	Depreciation and amortization expenses	23.1	3,917.83	3,950.58
	Lifetime expected credit loss/(write-back)	23.2	137.25	(59.48)
	Other expenses	24	3,562.56	4,672.97
	Total expenses		**69,636.84**	**84,569.39**
V.	**Profit/(Loss) before tax (III-IV)**		**1,188.85**	**(20,506.67)**
VI.	**Tax expense**	25		
	(a) Current tax		-	-
	(b) Deferred tax		(467.69)	(48.40)
	Total tax expenses		**(467.69)**	**(48.40)**
VII.	**Profit/(Loss) for the year (V-VI)**		**1,656.54**	**(20,458.27)**
	Other comprehensive income			
	Items that will not be reclassified to profit or loss:			
	(i) Re-measurements of defined benefit obligation	26	1,090.27	(323.00)
	(ii) Less: Income tax relating to items that will not be reclassified to profit or loss	26	(274.40)	81.29
VIII.	**Other comprehensive income for the year**		**815.87**	**(241.71)**
IX.	**Total comprehensive income for the year (VII+VIII)**		**2,472.41**	**(20,699.98)**
	Earnings per equity share:			
	No of equity shares (Face value ₹10/- each)		60,77,51,096	60,77,51,096
	Basic and diluted Earnings per share (₹)	27	0.27	(3.37)

Material accounting policies 1 and 2

Notes forming part of financial statements 1-28

For and on behalf of Board of Directors

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Company Secretary
(Membership No A65506)

CA. R.Ravishankar
Partner
MRN: 026819

Place : Bengaluru
Date : 27th May 2026

Statement of Cash Flow

for the year ended 31st March, 2026

₹ in Lakhs

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	1,188.85	(20,506.67)
Adjustment for :		
Depreciation and amortization expense	3,917.83	3,950.58
Finance costs	1,455.28	1,525.32
Provision for stores & liabilities no longer required written back(Net)	(336.23)	1.69
Interest income on financial assets at amortized cost	(5,428.40)	(4,255.42)
Interest income on Income Tax refund	(668.35)	
Net gain on financial assets designated at fair value through profit or loss	(173.96)	(69.89)
Lifetime expected credit loss/(write-back)	137.25	(59.48)
Net loss/(gain) on disposal of property, plant and equipment	65.26	(5.45)
Operating cash flow before working capital changes	**157.53**	**(19,419.32)**
Adjustment for working capital changes:		
(Increase)/Decrease in inventories	(2,090.46)	34,486.17
(Increase)/Decrease in trade and other receivables	5,093.18	14,926.77
Increase/(Decrease) in trade and other payables	3,159.95	4,341.33
Cash generated from operations	**6,320.20**	**34,334.95**
Income tax paid (Net of refunds)	1,581.45	-
Net cash flow from operating activities	**7,901.65**	**34,334.95**
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,011.04)	(572.30)
Proceeds from sale of property, plant and equipment	79.80	8.04
(Increase)/Decrease in capital work in progress	198.97	(1,802.66)
Payment towards stamp duty for assets taken on lease	-	(101.37)
Purchase of intangible assets and (Increase)/Decrease in intangible assets under development	(1,536.04)	(358.80)
Purchase of investments - liquid mutual fund	(62,289.88)	(17,808.12)
Redemption of investments- liquid mutual fund	62,463.84	17,878.01
Interest income on financial assets at amortized cost	5,392.24	3,711.88
Investment in term deposits with more than three months	(9,019.33)	(31,752.33)
Net cash flow from investing activities	**(5,721.44)**	**(30,797.65)**
C CASH FLOW FROM FINANCING ACTIVITIES		
(Re-payment to)/Proceeds from non-current borrowings	-	(3,083.00)
(Re-payment to)/Proceeds from current borrowings	-	(3,292.56)
Repayment of lease liabilities	(1,598.65)	(1,567.38)
Finance cost paid	(0.06)	(59.20)
Net cash flow from financing activities	**(1,598.71)**	**(8,002.14)**
ABSTRACT		
(A) Net cash from operating activities	7,901.65	34,334.95
(B) Net cash from investing activities	(5,721.44)	(30,797.65)
(C) Net cash from financing activities	(1,598.71)	(8,002.14)
Net increase/(decrease) in cash and cash equivalents	**581.50**	**(4,464.84)**
Net increase/(decrease) in cash and cash equivalents :		
Cash and cash equivalents as at 1st April, 2025 (opening balance)	6,882.97	11,347.81
Cash and Cash Equivalents as at 31st March, 2026 (closing balance)	7,464.47	6,882.97
Net increase /(decrease) in cash and cash equivalents	**581.50**	**(4,464.84)**

Notes:

1 The above statement has been prepared using indirect method as setout in Ind AS 7.

2 Figures in brackets indicate cash outflows.

Statement of Cash Flow

for the year ended 31st March, 2026

3 Reconciliation of liabilities arising from financing activities:

For year ended 31st March, 2026

₹ in Lakhs

Particulars	As at 1st April, 2025	Financing cash flow	Non-cash changes	As at 31st March, 2026
Lease liabilities	19,330.67	(1,598.65)	1,455.22	19,187.24
Total	**19,330.67**	**(1,598.65)**	**1,455.22**	**19,187.24**

For year ended 31st March, 2025

₹ in Lakhs

Particulars	As at 1st April, 2024	Financing cash flow	Non-cash changes	As at 31st March, 2025
Borrowings	6,375.56	(6,375.56)	-	-
Lease liabilities	11,574.86	(1,567.38)	9,323.19	19,330.67
Total	**17,950.42**	**(7,942.94)**	**9,323.19**	**19,330.67**

For and on behalf of Board of Directors

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Chairman-cum-Managing Director
(DIN 07605925)

B. K. Mahapatra
Director (Commercial)
(DIN 09613777)

as per our report of even date
for M/s G Balu Associates LLP
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Ram Krishna Mishra
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Clafton Siddharth
Company Secretary
(Membership No A65506)

CA. R.Ravishankar
Partner
MRN: 026819

Place : Bengaluru
Date : 27th May 2026

Statement of Changes in Equity

A. Equity share capital

₹ in Lakhs

Particulars	Balance at the beginning of the reporting period	Changes in equity share capital during the period	Balance at the end of the reporting period
Current reporting year ended 31st March 2026	60,775.11	-	60,775.11
Previous reporting year ended 31st March 2025	60,775.11	-	60,775.11

B. Other Equity

For the year ended 31st March 2026

₹ in Lakhs

Particulars	Reserves and Surplus			Other comprehensive income	Total
	Capital redemption reserve	General reserves	Retained earnings	Re-measurement of defined benefits obligation	
Balance as at 1st April, 2025	2,676.27	1,02,249.37	3,428.21	2,021.40	1,10,375.25
Profit/(Loss) for the period	-	-	1,656.54	-	1,656.54
Re-measurement of the net defined benefit obligation	-	-	-	815.87	815.87
Balance as at 31st March, 2026	**2,676.27**	**1,02,249.37**	**5,084.75**	**2,837.27**	**1,12,847.66**

For the year ended 31st March 2025

₹ in Lakhs

Particulars	Reserves and Surplus			Other comprehensive income	Total
	Capital redemption reserve	General reserves	Retained earnings	Re-measurement of defined benefits obligation	
Balance as at 1st April, 2024	2,676.27	1,02,249.37	23,886.48	2,263.11	1,31,075.23
Profit/(Loss) for the period	-	-	(20,458.27)	-	(20,458.27)
Re-measurement of the net defined benefit obligation	-	-	-	(241.71)	(241.71)
Balance as at 31st March, 2025	**2,676.27**	**1,02,249.37**	**3,428.21**	**2,021.40**	**1,10,375.25**

For and on behalf of Board of Directors

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Partner
MRN: 026819

Place : Bengaluru
Date : 27th May 2026

Notes to the Financial Statements

Background

KIOCL Limited (the "Company") is a Schedule "A" Miniratna Government of India Enterprise, having its Head Office in Bangalore; it has Pelletisation and Pig Iron plant units in Mangalore. The Company was established as a 100% Export Oriented Unit (EoU)) and is primarily engaged in the business of Iron Ore Mining, Beneficiation and Production of high-quality Pellets. The Company has diversified into Operation and Maintenance Services, Mineral exploration and providing pellet manufacturing services pertaining to its various core areas of expertise. During the year, the Company has exit for EoU w.e.f. 07th August,2025 to facilitate DTA sale of pellet produced under manufacturing services.

The Financial Statements have been approved for issue in accordance with a resolution of Board of Directors passed in its meeting held on 27th May, 2026.

1. Material accounting policies information

1.1. Basis of preparation

The Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2016] and other relevant provisions of the Act.

1.2. Basis of measurement

The financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for the following:

(i) Certain financial assets and financial liabilities that are measured at fair value,

(ii) Defined Benefit Plans - Plan assets are measured at fair value; and

(iii) Derivative financial instruments- measured at fair value

Figures in the financial statements have been rounded off to rupees in lakhs.

1.3. Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non- current classification.

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle.
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current only.

1.4 Revenue recognition

Revenue from operations

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services. When there is uncertainty on ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold, and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. Transaction price excludes taxes and duties collected on behalf of the government.

This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Notes to the Financial Statements

The Company's revenue from contracts with customers is mainly from the sale of pellets, pig iron, iron ore fines, manufacturing service under job work and auxiliary services.

Sale of products

Revenue from sale of products is recognized when control of the goods or services is transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is dispatched to the customer or on delivery to the customer, as may be specified in the contract.

Rendering of services

Revenue from services is recognized over time by measuring progress towards satisfaction of performance obligation for the services rendered and control transferred to the customer. Contract revenue is recognized at allocable transaction price which represents the cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs.

Revenue towards rendering of sale and marketing services for third party sales is recognised at point in time upon satisfactory completion of delivery to end customer.

Expenses incurred on transportation, logistics including shipping and freight on third party sales are reimbursed at cost by the third party and offset against the corresponding expense.

Unbilled revenue represents value of services performed in accordance with the contract terms but not billed.

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration when that right is conditional on Company's future performance.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

The Company does not adjust the transaction prices for any time value of money in case of contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer does not exceeds one year.

Other operating income

Revenue arising from incidental and ancillary activities of the Company are recognized under other operating income.

Despatch money is recognized as and when services are rendered and no significant uncertainty exists regarding the amount of consideration that will be derived from rendering the services.

Liabilities provided against operations and subsequent reversal thereon (if any) in excess of respective expenditure is considered as other operating income.

Other income

- Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, with reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- Refunds of statutory duties and taxes, Export Duty and cess, are accounted for upon determination by the appropriate authority of the department concerned provided reasonable certainty exist for its ultimate realization.
- Insurance and Railway claims are accounted for on receipt

1.5. Property, plant and equipment

Freehold land is carried at historical cost. All other items of Property, Plant and Equipment are stated at historical cost less any accumulated depreciation and accumulated impairment losses (if any). Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets' carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognized when replaced. All other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred.

Notes to the Financial Statements

Carrying amount of an item of property, plant and equipment shall be reduced by government grants in accordance with Ind AS 20.

Derecognition of property, plant and equipment

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gains and losses on disposal or retirement of an item of property, plant and equipment computed as the difference between the net disposal proceeds and the carrying amount of the asset is included in the statement of profit and loss when the asset is derecognized.

Capital Work in progress consists of costs incurred on projects and other capital works under feasibility/ commission stage. Cost includes related incidental expenses.

Impairment is recognized for projects for which there is no further improvement and are considered as doubtful.

Depreciation methods, estimated useful lives and residual value: Depreciation is calculated using the Straight-Line Method to allocate their cost, net of their residual values, over their estimated useful lives.

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Assets useful life (in years) from 1st April, 2022

Plant & Machinery	Useful Life (in Years)
Port Facilities- Continuous Process	5
Port Facilities- Non- Continuous Process	5
Pellet Plant - Continuous Process	5
Pellet Plant - Non- Continuous Process	5

The life of property, plant & equipment in Captive Power Plant has been estimated for 15 years from 1st April 2014 and for Blast Furnace Unit has been estimated for 10 years from 1st April 2016 by expert committee constituted by the Management during the current year.

Other assets are depreciated in accordance with useful life of the assets as indicated in Part C of Schedule II of Companies Act, 2013.

1.6. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Subsequently, all intangible assets with finite useful life are measured at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised over their estimated useful life on a straight-line basis.

Recognition of intangible assets:

An Intangible Asset shall be recognized if it demonstrates all of the following criteria:

i. It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity

ii. The cost of the asset can be measured reliably

Intangible assets are amortized over their respective estimated useful lives on a straight line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The estimated useful lives of intangible assets for the current and comparative period for computer software ranges from 3-10 years.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Subsequent costs are included in the assets carrying amount only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Derecognition of intangible asset

Intangible Assets are derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Recognition of intangible asset under development:

An Intangible asset under development phase shall be recognized if it demonstrates all of the following criteria:

i. Technical feasibility of completing the intangible asset so that it will be available for use or sale.

Notes to the Financial Statements

ii. Intention to complete the intangible asset and use or sell it.

iii. Ability to use or sell the intangible asset.

iv. Entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness.

v. Availability of adequate technical, financial and other resources to complete the development and to use.

vi. Measure reliably the expenditure attributable to the intangible asset

Recognition of costs as an asset is ceased when the project is complete and available for its intended use, or if these criteria are no longer applicable. Where development activities do not meet the conditions for recognition as an asset, any associated expenditure is treated as an expense in the period in which it is incurred

1.7. Leases

As a lessee

The company's lease assets satisfying the criteria of the right to control the use of an identified asset for a period of time in exchange for consideration providing substantially all of the economic benefits through the period of the lease are recognized as a lease liability with a corresponding 'right-of use' (ROU) asset at inception of contract except for leases with a term of twelve months or less (short-term leases) and low value leases.

For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Payment made towards short term leases (leases for which non-cancellable term is 12 months or less) and low value assets (lease of assets worth less than ₹ 5 Lakhs) are recognized in the statement of Profit and Loss as rental expenses over the tenor of such leases.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments that are not paid. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option or when there is a change in future lease payments arising from a change in an index or rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

As a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership

Notes to the Financial Statements

to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

1.8 Mining rights

Mining rights are treated as Intangible Assets and all related costs thereof are amortized on the basis of annual production to the total estimated mineable reserves or mining lease tenure whichever is earlier. In circumstances where a mining property is abandoned, the cumulative capitalized costs relating to the property are written off in the period in which it occurs i.e. when the Company determines that the mining property will not provide sufficient and sustainable returns relative to the risks and the Company decides not to proceed with the mine development.

All expenditure associated with the acquisition of mining rights including related professional fee, payment towards statutory forest clearance before execution of Mining Lease Deed and before technical feasibility and commercial viability of extracting mineral resources are demonstrable, treated as "Mining rights under acquisition" and are disclosed under the head "Intangible assets under development".

When the technical feasibility and commercial viability of extracting minerals resources are demonstrable, and the development of the deposit is intended by the management, the cumulative capitalized cost is re-classified as Mining Rights. No amortisation is charged on the Mining Rights before the start of commercial production.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in the Statement of Profit and Loss.

1.9. Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period. Intangible assets acquired free of charge or for a nominal amount, by way of government grant, shall be recognized at a nominal amount

Intangible assets which are not yet available for use are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired.

Fair value less costs of disposal is the price that would be received to sell the asset in an orderly transaction between market participants and does not reflect the effects of factors that may be specific to the Company and not applicable to entities in general.

Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal. The cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

Any reversal of the previously recognised impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

1.10. Financial instruments

Financial assets

The Company classifies its financial assets in the following measurement categories:

i) Those to be measured subsequently at fair value (either through Other Comprehensive Income, or through Profit or Loss), and

ii) Those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses are recorded either in Profit or Loss or Other Comprehensive Income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this depends on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income.

Notes to the Financial Statements

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through Profit or Loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through Profit or Loss are expensed in Profit or Loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Debt instrument

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories when an instrument is classified as debt instrument:

(i) Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in Profit or Loss when the asset is de-recognized or impaired.

(ii) Fair value through other comprehensive income (FVOCI) : Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at Fair Value through Other Comprehensive Income (FVOCI). Movements in the carrying amount are taken through OCI except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Profit and Loss. When the financial asset is de-recognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Profit or Loss and recognized in other gains/ (losses).

(iii) Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at Fair Value through Profit or Loss and is not part of a hedging relationship is recognized in Profit or Loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises.

Changes in the fair value of financial assets at Fair Value through Profit or Loss are recognized in other gain/ (losses) in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

a) Financial assets that are debt instruments and are measured at amortised cost.

b) Financial assets that are debt instruments and are measured as at FVOCI

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables, contract assets and lease receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

At each reporting date, for recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original effective interest rate.

De-recognition of financial assets

A financial asset is derecognized only when: -

(i) The Company has transferred the rights to receive cash flows from the financial asset or

(ii) Retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Notes to the Financial Statements

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Financial liabilities

The Company classifies its financial liabilities in the following

(i) Those to be measured subsequently at fair value through Profit or Loss

(ii) Those to be measured at amortized cost.

Measurement

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI.

These gains/losses are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings and trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Derivative financial instruments

Initial recognition and subsequent measurement

In order to hedge its exposure to foreign exchange, the Company enters into forward contracts. The Company does not hold derivative financial instruments for speculative purposes.

Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value at the end of each reporting period.

Positive balance in derivatives are presented under financial Assets after Loans and negative balance in derivates are presented as financial liabilities after trade payables as a separate line item.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

Notes to the Financial Statements

Equity instrument

An equity instrument is any contract that evidences residual interests in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Off-setting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

1.11. Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, Cash and Cash Equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1.12. Inventories

Stock of finished goods namely, Pellets and Pig Iron (including stock with the Consignment Agents) and semi-finished goods are valued at lower of cost and net realizable value. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its location and includes wherever applicable, appropriate overheads based on normal level of activity and are moved out of inventory on a weighted average basis. However, when the actual production is abnormally lower as compared to normal level, the expenditure of fixed nature is reduced in proportion to the shortfall. Net realisable value is determined based on estimated selling price, less further costs expected to be incurred for completion and disposal.

Raw materials including materials in transit, stores & spares, consumables and additives are valued at lower of cost and net realizable value. However, these items are considered to be realisable at cost if the finished products in which they will be used, are expected to be sold at or above cost. The replacement cost of materials at the year end has been considered as the best available measure of their net realisable value. The cost is computed on weighted average basis and the same is charged off to revenue on its issue.

By-products are valued at estimated net realizable value. Stores, Spares and Consumables with value less than ₹ 1,000 each at the end of the year, are valued at book value. 100% impairment is recognised for non-moving stores & spares held for 5 years and above.

The earlier recognised impairment is reversed when the circumstance that previously caused impairment recognition no longer exists or when there is clear evidence of an increase in net realisable value due to changes in economic circumstances.

1.13 Provisions, contingent liabilities and contingent assets

Provisions for legal claims, service warranties, volume discounts and returns are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the notes to financial statements.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefit is probable.

The Company has significant capital commitments in relation to various capital projects which are not recognised but disclosed in the notes to financial statements.

Notes to the Financial Statements

1.14. Employee benefits

Short term obligations: Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current Employee benefits payable in the balance sheet.

Other long term employee benefit obligations: The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in Profit or Loss.

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Termination benefit

Compensation to employees under Voluntary Retirement Scheme is charged to Statement of Profit and Loss in the year of accrual.

Defined benefit plan

Gratuity: The liability or asset recognized in the Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

Provident fund: The Company's provident funds are administered by Trust set up by the Company where the Company's obligation is to provide the agreed benefit to the employees and the actuarial risk and investment risk if any fall in substance on the Company is treated as a defined benefit plan. Liability with regard to such provident fund plans are accrued based on actuarial valuation, based on Projected Unit Credit Method, carried out by an independent actuary at the Balance Sheet date.

The present value of the defined benefit obligation denominated in Indian Rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of Profit and Loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in Profit or Loss as past service cost.

Defined contribution plans

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the Employees' Pension Scheme, 1995 with the Government, superannuation fund and certain state plans like Employees' State Insurance and Employees' Pension Scheme. The Company's payments to the defined contribution plans are recognized as expenses during the period in which the employees perform the services that the payment covers.

1.15. Borrowing cost

Borrowing costs consists of interest expense and other cost incurred in connection with the borrowing of funds. Interest expense are recognized in the statement of profit and loss using the effective interest method.

Borrowing cost that are attributable to the acquisition or construction of the qualifying asset are capitalised as part of the cost of such asset. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the Company during the year. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which the same are incurred.

1.16. Income tax

The Income tax expense or credit for the period is the tax payable on the current period's taxable income based on the

Notes to the Financial Statements

applicable Income Tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current Income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Income tax is provided in full using the Balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements.

However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred Income Tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or deferred income tax liability is settled.

Deferred Tax Assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Deferred tax is not to be recognized in respect of non-taxable government grant where the grant is deducted from carrying amount of asset.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available in future to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in Profit or Loss, except to the extent that it relates to items recognized in Other Comprehensive Income or directly in Equity. In this case, the tax is also recognized in Other Comprehensive Income or directly in Equity, respectively.

1.17. Foreign currency translation

a) Functional and presentation currency:

Items included in the financial statement of the Company are measured using currency of the primary economic environment in which the entity operates ('the functional currency'). India being the primary economic environment of the company, the Financial Statements are presented in Indian Rupee (INR), which is Company's functional and presentation currency.

b) Transactions and Balances: Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in Profit or Loss.

1.18. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief operating decision maker (CODM). The Chairman cum Managing Director (CMD) assesses the financial performance and position of the Company and makes strategic decisions. Accordingly, the Chairman cum Managing Director has been identified as the Chief operating decision maker of the Company.

1.19. Earnings per share

Basic earnings per share: Basic earnings per share are calculated by dividing:

i. The profit attributable to owners of the Company

ii. By the weighted average number of Equity Shares outstanding during the Financial Year, adjusted for bonus elements in Equity Shares issued during the year and excluding treasury shares.

Diluted earnings per share: Diluted earnings per Share adjusts the figures used in the determination of basic Earnings per Share to take into account:

Notes to the Financial Statements

i. The after-income tax effect of interest and other financing costs associated with dilutive potential Equity Shares, and

ii. The weighted average number of additional Equity Shares that would have been outstanding assuming the conversion of all dilutive potential Equity Shares.

1.20. Exceptional items

Exceptional items are disclosed separately in the Financial Statements where it is necessary to do so to provide further understanding of the financial performance of the company. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

2. Summary of significant judgements and assumptions

The application of Accounting Standards and Policies requires the Company to make estimates and assumptions about future events that directly affect its reported financial condition and operation performance. The accounting estimates and assumptions discussed are those that the Company considers to be most critical to its Financial Statements. An accounting estimate is considered critical if both (a) the nature of estimates or assumptions is material due to the level of subjectivity and judgement involved, and (b) the impact within a reasonable range of outcomes of the estimates and assumptions is material to the Company's financial condition or operating performance.

Revenue recognition

The Company uses the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labour costs, materials and productivity efficiencies.

As the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, recognized revenue and profit are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable. The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Defined benefit plan assumption

The measurement of the Company's defined benefit obligation to its employees and net periodic defined benefit cost/income requires the use of certain assumptions, including, among others, estimates of discount rates and expected return on plan assets. Changes in these assumptions may affect the future funding requirements of the plans and actuarial gain/loss recognized in the statement of comprehensive income.

Net realizable value and client demand: The Company reviews the net realizable value of and demand for its inventory on a quarterly basis to ensure recorded inventory is stated at the lower of cost or net realizable value and that obsolete inventory is written off.

Depreciation

Depreciation on property, plant and equipment has been provided on Straight Line Method except certain assets for which higher rates were considered based on their estimated useful life as per the provisions of Schedule II of Companies Act, 2013.

Depreciation on property, plant and equipment other than Roads, Bridges and Culverts, Township, Furniture & Fittings, Computers, Vehicles are provided for their remaining value reduced by residual value over its remaining useful life as technically assessed. The residual values are reviewed periodically. As on 1st April, 2022 the remaining useful life of assets Pellet Plant and Port facility was estimated for 5 years, the useful left over life of Captive Power Plant is 15 years from 1st April, 2014 and Blast Furnace Unit is 10 years from 1st April, 2016. Additions during the year to Plant Machinery except Components/ Machinery whose useful life is different and capable of independent use, and limited to those useful life. Components/ Machinery whose useful life is different from respective plant and machinery and capable of independent use depreciated with respective useful life.

Temporary Structures has been provided for in full, retaining a nominal value of ₹1 per item.

Depreciation on accounting software SAP S4/HANA made based on estimated useful life of 5 years from the date of use .

Notes to the Financial Statements

The value of assets and the rate of depreciations adopted vis-a-vis the life and rate of depreciation as per Companies Act, 2013 are as follows:

Type of asset	As per Companies Act, 2013	Technical Committee Assessment (During the year 2024-25)	
	Useful life from the date of commissioning (years)	Useful life from (date)	Remaining useful life (years)
Plant & Machinery:			
PF-Continuous process	25	01.04.2022	5
PF-Non continuous	15	01.04.2022	5
PF -Vertical pressure filter	20	25.03.2024	20
PP-Continuous process	25	01.04.2022	5
PP-Non continuous	15	01.04.2022	5
CPP	40	01.04.2014	15
BFU	20	01.04.2016	10

In respect of other assets i.e. Township Building, Roads-RCC and other than RCC, Furniture & Fittings - General, Furniture & Fittings - Canteen & Guest House, Motor Vehicles, Office Equipment's, the useful life as per Schedule II of the Companies Act, 2013 has been adopted.

The residual value of computers and related IT assets like Desktops, laptops, servers, Mobile phones, Smart phones, tablets, electronic gadgets and storage devices, printers, scanners, plotters, networking equipment etc. has been depreciated with useful life of 3 years retaining residual value minimal (₹1) by keeping in view the rapid technological obsolescence and negligible realizable value. The impact of the change in Depreciation for the current year is 23.70 lakhs (previous year NIL) and no significant impact in the future.

Component accounting of tangible assets being mandatory, where cost of part of the asset significant to total cost of the asset and useful life of that part is different from useful life of principal asset, the useful life of that significant part determined separately for computation of depreciation charge.

Application of new and amended standards

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

1. Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025 – The amendment relates to classification of liabilities as current or noncurrent and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.

2. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

Notes to the Financial Statements

3. Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

Standards notified but not yet effective

There are no new standards that are notified, but not yet effective, upto the date of issuance of the Company's financial statements.

For and on behalf of Board of Directors

G. V. KIRAN
Chairman-cum-Managing Director
(DIN 07605925)

B. K. Mahapatra
Director (Commercial)
(DIN 09613777)

as per our report of even date
for M/s G Balu Associates LLP
Chartered Accountants
(FRN: 000376S/S200073)

Ram Krishna Mishra
(Chief Financial Officer)
(PAN AAVPM8846M)

Clafton Siddharth
Company Secretary
(Membership No A65506)

CA. R.Ravishankar
Partner
MRN: 026819

Place : Bengaluru
Date : 27th May 2026

Notes to the Financial Statements

NOTE-3.1 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Sl. No.	Description of Assets	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING AMOUNT	
		Carrying amount as at 01.04.2025	Additions during the year	Sales/ Adjustments	Gross carrying as at 31.03.2026	Accumulated Depreciation as at 01.04.2025	For the year	Sales/ Adjustments	Accumulated Depreciation 31.03.2026	As at 31.03.2026	As at 01.04.2025
	PROPERTY, PLANT AND EQUIPMENT MINES & PLANT:										
1.	Land* - Freehold	2,241.56	-	-	2,241.56	-	-	-	-	2,241.56	2,241.56
2	Buildings	7,749.59	779.33	-	8,528.92	3,929.67	306.41	0.00	4,236.08	4,292.84	3,819.92
3	Plant & Machinery	32,902.55	127.23	(439.66)	32,590.12	16,293.48	1,889.26	-178.74	18,004.00	14,586.12	16,609.07
4	Furniture & Fittings - General	626.68	1.57	(158.65)	469.60	376.17	76.08	-126.84	325.41	144.19	250.51
5	Office Equipments	-	-	220.98	220.98	-	-	176.16	176.16	44.82	0.00
6	Vehicles	664.87	0.00	(21.99)	642.88	289.46	70.58	-21.24	338.80	304.08	375.41
7	Equipments	408.02	2.60	(40.95)	369.67	344.47	53.76	-38.39	359.84	9.83	63.55
8	Others										
	Roads, Bridges & Culverts	380.52	-	-	380.52	159.80	28.68	-	188.48	192.04	220.72
	Water supply, Sewerage & Fire	246.38	-	-	246.38	172.89	15.56	-	188.45	57.93	73.49
	Prevention system										
	Electrical Installation	1,226.39	-	-	1,226.39	967.56	55.24	-	1,022.80	203.59	258.83
	SUB TOTAL	**46,446.56**	**910.73**	**(440.27)**	**46,917.02**	**22,533.50**	**2,495.57**	**(189.05)**	**24,840.02**	**22,077.00**	**23,913.06**
	PROPERTY, PLANT AND EQUIPMENT TOWNSHIP										
1.	Land* - Freehold	32.81	-	-	32.81	-	-	-	-	32.81	32.81
2	Buildings	256.14	100.31	-	356.45	72.60	6.68	-	79.27	277.18	183.54
3	Furniture & Fittings - General	66.35	-	(23.98)	42.36	32.91	6.70	(13.30)	26.30	16.06	33.44
4	Vehicles	17.84	-	-	17.84	9.81	1.64	-	11.44	6.40	8.03
5	Others										
	Roads,Bridges & Culverts	14.20	-	-	14.20	7.98	2.15	-	10.12	4.08	6.22
	Electrical Installations	4.00	-	-	4.00	2.84	0.14	-	2.98	1.02	1.16
	SUB TOTAL	**391.34**	**100.31**	**(23.98)**	**467.66**	**126.14**	**17.31**	**(13.30)**	**130.11**	**337.55**	**265.20**
	GRAND TOTAL	**46,837.90**	**1,011.04**	**(464.25)**	**47,384.68**	**22,659.64**	**2,512.88**	**(202.35)**	**24,970.13**	**22,414.55**	**24,178.26**
	Previous year	**46,280.56**	**572.30**	**(14.96)**	**46,837.90**	**19,944.42**	**2,727.57**	**(12.35)**	**22,659.64**	**24,178.26**	**26,336.13**

Note: 1 Freehold land of 114.31 Hectares located on Kudremukh wherein the Mining operation was closed w.e.f. 1st January, 2006 as per the order of Hon'ble Supreme Court. The book value of the land is ₹ 29.05 Lakhs classified under PPE.

Notes to the Financial Statements

Additional information to Note No 3.1

Fair value of property plant & equipment (Ind AS 16)

The following additional information is provided with reference to Ind AS 16, property plant and equipment.

(₹ in Lakhs)

S. No	Particulars	As at 31st March, 2026	As at 31st March, 2025
1	Carrying amount of temporarily idle property, plant and equipment	3,703.45	4,379.86
2	Gross carrying amount of any fully depreciated property, plant and equipment that is still in use	12,714.70	5,209.43
3	Carrying amount of property, plant and equipment retired from active use and not classified as held for sale in accordance with Ind AS 105	-	-
4	The fair value of property, plant and equipment, when this is materially different from the carrying amount.	1,02,749.76	1,05,886.71

The fair value of the property, plant and equipment (PPE) is determined on the basis of valuation carried out at the reporting date by independent valuer. The fair value measurement for PPE has been categorized as Level 3 based on the valuation techniques used and inputs applied. The main inputs considered by the valuer are government rates, property location, market research, market trend, contracted rentals, terminal yields, discount rates and comparable values, as appropriate. In estimating the fair value of the PPE, the highest and best use of the properties is their current use.

Impairment of Assets (Ind AS 36)

The Company is having following two cash generated Units:

Pellet Plant Unit: The Pellet Plant Unit is continuously in operation and resulted in positive cash flow.

Pig Iron Plant Unit: Due to un-economic price of Pig Iron, Pig Iron Plant / Blast Furnace Unit (BFU) could not be operated during the year. After impairment test based on the net selling price as assessed by Approved Valuer, the recoverable amount in each class of assets in BFU are found to be more than the respective carrying amount. Hence, there is no impairment loss to be recognized during the year.

3.2 : Capital work-in-progress

₹ in Lakhs

Particulars	As at 31st March, 2026	As at 31st March, 2025
Machinery under installation	144.16	174.29
Work in Progress	16,981.33	17,122.52
Less : Impairment	(468.15)	(440.50)
	16,513.18	16,682.02
Total	16,657.34	16,856.31

(i) Movement of Capital work in progress

₹ in Lakhs

Particulars	Machinery under installation	Work in progress	Total
For the year ended 31st March 2026			
Opening gross carrying amount	174.29	17,122.52	17,296.81
Additions	111.95	800.09	912.04
Disposal	-	-	-
Transfer	(26.35)	(38.77)	(65.12)
Capitalization to property plant and equipment	(115.73)	(902.51)	(1,018.24)
Closing gross carrying amount (A)	144.16	16,981.33	17,125.49

Notes to the Financial Statements

₹ in Lakhs

Particulars	Machinery under installation	Work in progress	Total
Accumulated Impairment at the beginning of the year	-	440.50	440.50
Impairment/ (written off) during the year	-	27.65	27.65
Accumulated impairment at the end of the year (B)	**-**	**468.15**	**468.15**
Closing net carrying amount (A-B)	**144.16**	**16,513.18**	**16,657.34**
For the year ended 31st March 2025			
Opening gross carrying amount	723.74	14,797.56	15,521.30
Additions	103.01	2,263.64	2,366.65
Disposals		(27.15)	(27.15)
Transfer	(176.98)	176.98	-
Capitalization to property plant and equipment	(475.48)	(88.51)	(563.99)
Closing gross carrying amount (A)	**174.29**	**17,122.52**	**17,296.81**
Accumulated Impairment at the beginning of the year	-	467.65	467.65
Impairment/ (written off) during the year	-	(27.15)	(27.15)
Accumulated impairment at the end of the year (B)	**-**	**440.50**	**440.50**
Closing net carrying amount (A-B)	**174.29**	**16,682.02**	**16,856.31**

(ii) Capital work in progress ageing schedule:

For the year ended 31st March 2026

₹ in Lakhs

Capital work in progress	Amount in Capital work in progress for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	722.48	2,139.50	7,458.50	6,336.86	16,657.34
Doubtful Projects	-	4.82	20.65	442.68	468.15
Total	**722.48**	**2,144.32**	**7,479.15**	**6,779.54**	**17,125.49**
Less: Accumulated Impairment*	-	(4.82)	(20.65)	(442.68)	(468.15)
Capital work in progress	**722.48**	**2,139.50**	**7,458.50**	**6,336.86**	**16,657.34**

For the year ended 31st March 2025

₹ in Lakhs

Capital work in progress	Amount in Capital work in progress for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	2,390.48	7,886.67	3,341.50	3,237.66	16,856.31
Doubtful Projects	-	-	-	440.50	440.50
Total	**2,390.48**	**7,886.67**	**3,341.50**	**3,678.16**	**17,296.81**
Less: Accumulated impairment*	-	-	-	(440.50)	(440.50)
Capital work in progress	**2,390.48**	**7,886.67**	**3,341.50**	**3,237.66**	**16,856.31**

Note * Projects for which there is no further improvement are treated as doubtful and 100% impairment recognised.

(ii) Completion schedule regarding capital work in progress , whose completion is overdue:

For the year ended 31st March 2026

Capital work in progress	To be completed in			
	< 1 year	1-2 years	2-3 years	> 3 years
Projects in progress				
Coke Oven Plant*	15,364.19	-	-	-
Coke Shed- Material handling	1,068.52			

* The Coke oven plant and Coke shed - Material handling was re-scheduled to be completed during the FY 2024-25 and was delayed & further re-scheduled for completion during the FY 2026-27.

Notes to the Financial Statements

For the year ended 31st March 2025

Capital work in progress	To be completed in			
	< 1 year	1-2 years	2-3 years	> 3 years
Projects in progress				
Coke Oven Plant	14,659.56	-	-	-
Coke Shed and Coke Shed - Material handling	1,833.27			

3.3 : Right of use assets

₹ in Lakhs

Particulars	As at 31st March, 2026	As at 31st March, 2025
Land*	16,099.26	16,999.19
Building	36.73	60.03
Total	**16,135.99**	**17,059.22**

Movement of right of use assets

For the year ended 31st March 2026

(₹ in Lakhs)

Particulars	Category of right of use assets		Total
	Land*	Building	
Balance as at 1st April, 2025	16,999.19	60.03	17,059.22
Additions/Adjustment	-	-	-
Deletion			-
Depreciation	(899.93)	(23.30)	(923.23)
Balance as at 31st March, 2026	16,099.26	36.73	16,135.99

For the year ended 31st March 2025

₹ in Lakhs

Particulars	Category of right of use assets		Total
	Land*	Building	
Balance as at 1st April, 2024	9,993.71	34.45	10,028.16
Additions	7,909.55	48.88	7,958.43
Deletion			-
Depreciation	(904.07)	(23.30)	(927.37)
Balance as at 31st March, 2025	**16,999.19**	**60.03**	**17,059.22**

* The ROU of land includes 17,483 sq. mtrs 99 years leasehold land which was acquired by the Company from Karnataka Industrial Areas Development Board (KIADB) on payment of upfront lease premium at the time of commencement of lease and subsequent lease premium provided during the FY 2023-24 (paid in April 2024). The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss. The land allotted by KIADB at Doddaballapur to construct an R & D center, however due to certain pending approvals the R&D project yet to be commenced. The land allotted by KIADB is under litigation by 3rd party due to encroachment. We have already intimated to KIADB ON 12th September 2023 to settle the land dispute at the earliest for construction of balance portion of boundary wall.

*52.86 acres land valuing ₹ 657.25 lakhs taken under 20 years lease from KIADB, for the purpose of constructing a railway siding, the lease is valid till 29.12.2028 and thereafter sale deed to be executed in favour of the Company. This land has been classified under ROU. Due to technical feasibility, the construction of railway siding is kept on hold. KIADB has fixed personal hearing on 2nd February 2024 for Implementation of project on allotted land. Based on the personal hearing letter dated 8th April 2024 submitted to KIADB for permitting another 5 years to construct railway siding which is required for transportation of Iron Ore from our captive Devdari mine to Pellet Plant. Company has retained the classification as Right to use (ROU) asset as on 31st March 2026 and as on 31st March 2025.

Notes to the Financial Statements

4 : Other intangible assets

₹ in Lakhs

Particulars	As at 31st March, 2026	As at 31st March, 2025
Computer software	1,787.17	1,424.85
Less: Amortisation accumulated	-1,003.90	-407.51
	783.27	1,017.34
Mining right (Refer Note No 28.3.5)	54,549.55	53,015.01
Total	55,332.82	54,032.35

Movement of Other intangible assets (OIA)

₹ in Lakhs

Note No/ Particulars	4 (OIA)		
	Computer Software	Mining rights	Total
Gross block			
Cost as at 1st April , 2024	216.43	52,988.31	53,204.74
Additions	332.10	26.70	358.80
Disposals	-	-	-
Transfers	876.32	-	876.32
Cost as at 31st March, 2025	1,424.85	53,015.01	54,439.86
Additions	362.32	1,534.54	1,896.86
Disposals	-	-	-
Transfers	-	-	
Cost as at 31st March, 2026	1,787.17	54,549.55	56,336.72
Accumulated amortisation & impairment			
Accumulated amortisation as at 1st April, 2024	111.87	-	111.87
Amortisation for the year	295.64	-	295.64
Accumulated amortisation as at 31st March, 2025	407.51	-	407.51
Amortization for the year	596.39	-	596.39
Accumulated amortisation as at 31st March, 2026	1,003.90	-	1,003.90
Net Carrying amount			
As at 31st March, 2025	1,017.34	-	54,032.35
As at 31st March, 2026	783.27	54,549.55	55,332.82

5.1 : Loans (Non-current)

₹ in Lakhs

Particulars	As at 31st March, 2026	As at 31st March, 2025
Loans to Others		
Considered good - unsecured		
Loans to employees	240.68	229.93
Loans receivables- credit impaired*	1,799.36	1,799.36
Total	2,040.04	2,029.29
Less: Allowance for bad and doubtful loans*	1,799.36	1,799.36
Total	240.68	229.93

* The Company had extended ₹ 18 Crores inter-corporate loans to Hindustan Photo Films Mfg. Company Ltd (HPF Ltd) during 1992-93. HPF Ltd has been declared to be sick under Sick Industrial Companies (Special provisions) Act 1985 in January 1996. Provision towards 100% of the said loan made in the books. The NCLT, Chennai has appointed Resolution Professional. The claim lodged by the Company has been admitted by the Resolution Professional. The liquidator vide letter dated 13.04.2023 forwarded the Resolution Plan and ₹ 64,190 has been allocated under the plan to the Company for part of the assets sold under resolution process and an amount of ₹ 38,848 received on 18.05.2023 and ₹ 25,342 received on 16.09.2023. C.A.Mahalingam Suresh Kumar was appointed as Liquidator. KIOCL has also filed claim before Liquidator amounting to ₹ 154.54 Crores.

Notes to the Financial Statements

5.2 : Other financial assets (Non-current)

₹ in Lakhs

Particulars	As at 31st March, 2026	As at 31st March, 2025
Security deposits - DISCOMs	1,412.93	1,206.92
Deposit- with LIC for discontinued retired pension scheme	13.79	13.83
Deposit- others*	27.31	77.31
Total	1,454.03	1,298.06

*Deposit - Others includes security deposit and earnest money deposits

6 : Deferred tax assets (net)

₹ in Lakhs

Particulars	As at 31st March, 2026	As at 31st March, 2025
Deferred tax assets	7,923.57	7,871.79
Deferred tax liabilities	-6,517.50	-6,659.01
Net deferred tax assets	1,406.07	1,212.78

Item wise details of deferred tax asset (Net)

For the year ended 31st March, 2026

₹ in Lakhs

Particulars	As on 1st April, 2025	Provided during the year in statement of Profit and Loss	Provided during the year in OCI	Balance as on 31st March, 2026
Related to property plant & equipment & intangible assets	(2,365.55)	177.61	-	(2,187.94)
Right of use of assets	(4,293.46)	(36.10)	-	(4,329.56)
Lease liabilities	4,865.14	232.36		5,097.50
Allowances for lifetime expected credit loss	452.86	-	-	452.86
Provisions	2,553.79	93.82	(274.40)	2,373.21
Total	1,212.78	467.69	(274.40)	1,406.07

For the year ended 31st March, 2025

₹ in Lakhs

Particulars	As on 1st April, 2024	Provided during the year in statement of Profit and Loss	Provided during the year in OCI	Balance as on 31st March, 2025
Related to property plant & equipment & intangible assets	(2,437.82)	72.27	-	(2,365.55)
Right of use of assets	(2,523.89)	(1,769.57)	-	(4,293.46)
Lease liabilities	2,913.16	1,951.98	-	4,865.14
Allowances for lifetime expected credit loss	452.86	-	-	452.86
Provisions	2,662.70	(190.20)	81.29	2,553.79
Others	16.08	-16.08	-	0.00
Total	1,083.09	48.40	81.29	1,212.78

Notes to the Financial Statements

7 : Other non-current assets

₹ in Lakhs

Particulars	As at 31st March, 2026	As at 31st March, 2025
Deposit with Government and other authorities paid under protest	3,591.46	3,554.76
Net defined benefit assets - Gratuity		305.45
Total	3,591.46	3,860.21

8: Inventories

₹ in Lakhs

Particulars	As at 31st March, 2026	As at 31st March, 2025
(a) Raw materials*	4,515.30	740.33
(b) Work in progress	464.40	1,981.83
(c) Finished goods- Pellets	39.62	1,393.00
(d) Stores and spares #^	8,895.21	8,004.42
Less : Provision for impairment ^	(1,940.97)	-2,080.62
	6,954.24	5,923.80
(e) Consumables and additives	2,037.48	1,881.62
Total	14,011.04	11,920.58

* At the year end, raw materials goods in transit is NIL (₹ Nil as on 31st March 2025)

At the year end, Stores and spares in transit is ₹ 3.73 lakhs (₹ 1.53 lakhs as on 31st March 2025)

As on 31st March 2025, closing stock (under job work with M/s NMDC) of Iron ore fines, Work in progress and Finished goods- Pellets were 17,139 MT, 14,124 MT and 13,184 MT respectively not included in Inventories (Previous year Iron ore fines, Work in progress and Finished goods- Pellets were 40,708 MT, 38,078 MT and 1,11,593 MT respectively)

^100% Impairment is recognised for the value of non-moving stores & spares held for 5 years and above. Net provision reversed ₹ 139.66 lakhs during the year included in Note No. 18.2 " Other Income .(Previous year net expenditure ₹ 1.69 lakhs included under 24" Other expenses)

During the year , the valuation of raw material, work in progress, finished product-pellets, stores & spares and Consumable & additives made as per Ind AS 2, Cost or NRV which ever is lower. ₹ 410.59 Lakhs (Net) write-down of inventories recognised as an expenses (previous year ₹ 830.33 Lakhs) , Due to increase of NRV of Raw material and additives ₹ 98.86 Lakhs and ₹ 4.54 Lakhs has been write up respectively (previous year written down ₹ 217.66 lakhs and ₹ 4.54 towards Raw Materials and additives respectively) details are as follows. :

(₹ in Lakhs)

Particulars	FY 2025-26	FY 2024-25
Raw material,	(98.86)	217.66
Work in progress,	513.99	308.85
Finished product-pellets,		161.63
Stores & spares and		137.65
Consumable & additives	(4.54)	4.54

- For method of valuation for each class of Inventories refer Note No. 1.12

9.1 : Trade receivables (Current)

(₹ in Lakhs)

Particulars	As at 31st March, 2025	As at 31st March, 2024
(i) Considered good secured		
(ii) Considered good unsecured	3,539.39	2,281.08
(iii) credit impaired	557.77	420.52
Gross Receivables	4,097.16	2,701.60

Notes to the Financial Statements

(₹ in Lakhs)

Particulars	As at 31[st] March, 2025	As at 31[st] March, 2024
Less : Allowance for bad and doubtful debts	-557.77	(420.52)
Total	3539.39	**2,281.08**

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At regular intervals, the historically observed default rates are updated and changes in forward-looking estimates are analysed.

Estimated matrix at the reporting date:

Particulars	Aging				
	less than 90 days	90-180 days	180-270 days	270-360 days	More than 365 days
Default rate as at 31st March 2026	5.43%	23.26%	42.75%	48.03%	100.00%

Estimated matrix at the previous reporting date:

Particulars	Aging				
	less than 90 days	90-180 days	180-270 days	270-360 days	More than 365 days
Default rate as at 31st March 2025	5.67%	25.02%	42.78%	48.03%	100.00%

Movement in the expected credit loss allowance

₹ in Lakhs

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Balance as at beginning of the period	420.52	480.00
Allowance of expected credit loss	137.25	
Write-back		(59.48)
Balance as at end of the period	557.77	**420.52**

Trade receivables ageing schedule:

For the year ended 31st March, 2026

₹ in Lakhs

Particulars	Not Due	Outstanding for the following period from due date of payments:					Total
		< 6 months	6 months -1 year	1-2 years	2-3 years	> 3 years	
(i) Considered good secured	-	-	-	-	-	-	-
(ii) Undisputed trade receivables - considered good	-	3488.23	51.16				3539.39
(iii) Credit impaired	-	203.06	41.20	67.96	207.68	37.87	557.77

For the year ended 31st March, 2025

₹ in Lakhs

Particulars	Not Due	Outstanding for the following period from due date of payments:					Total
		< 6 months	6 months -1 year	1-2 years	2-3 years	> 3 years	
(i) Considered good secured	-	-	-	-	-	-	
(ii) Undisputed trade receivables - considered good		2633.28	19.09				2652.37
(iii) Credit impaired	-	158.29	16.68	207.68	28.14	9.73	420.52

Notes to the Financial Statements

9.2 : Cash and cash equivalents

₹ in Lakhs

Particulars	As at 31st March, 2026	As at 31st March, 2025
Balances with banks		
In current account	2,281.25	248.98
In deposit account (maturity of less than 3 months)	5,180.00	6,630.01
Accrued Interest on deposit (maturity of less than 3 months)	3.20	3.96
	7,464.45	6,882.95
Stamps in hand (Unfranked balance)	0.02	0.02
Total	7,464.47	6,882.97

9.3 : Bank balances other than cash and cash equivalents

₹ in Lakhs

Particulars	As at 31st March, 2026	As at 31st March, 2025
(i) Other bank balances		
In term deposits (maturity of more than 3 months but less than 12 months)*	75,090.00	66,067.00
(ii) Earmarked unpaid dividend accounts	2.20	2.77
(iii) Earmarked for CSR ongoing Projects	26.49	29.59
Total	75,118.69	66,099.36

* The Company is having arrangement with State Bank of India regarding secured overdraft limit (against term deposit) as on 31st March,2026, the bank marked lien on the term deposit is ₹ 38.45 Lakhs . (Previous year ₹ 12,255 Lakhs).

Refer note no 28.3.14.

9.4 : Loans (Current)

₹ in Lakhs

Particulars	As at 31st March, 2026	As at 31st March, 2025
Loans to others		
Considered good - unsecured		
Loans to employees	138.12	155.76
Total	138.12	155.76

9.5 : Other financial assets (Current)

₹ in Lakhs

Particulars	As at 31st March, 2026	As at 31st March, 2025
Contract assets	2,481.07	1,349.86
Accrued interest on bank deposits	2,637.75	2,601.59
Security deposit	89.91	86.61
Deposit- with LIC for discontinued retired pension scheme	0.75	0.71
Other receivables from employees	13.38	10.43
Total	5,222.86	4,049.20

Notes to the Financial Statements

10. Current tax assets/(Liability) (Net)

₹ in Lakhs

Particulars	As at 31st March, 2026	As at 31st March, 2025
Advance income tax (including tax deducted at source)	8,300.06	7,426.74
Less : Provision for income tax	1,244.27	1,244.27
Net current income tax asset/ (liability) at the end	**7,055.79**	**6,182.47**

11 : Other current assets

₹ in Lakhs

Particulars	As at 31st March, 2026	As at 31st March, 2025
Balances with Government authorities	3,293.28	11,892.54
Advances		
Raw Material advances provided to vendors	996.48	276.18
Others*	46.70	78.39
Subtotal	**1,043.18**	**354.57**
Prepaid expenses	77.59	157.35
Others**	132.74	138.16
Total	**4,546.79**	**12,542.62**

*Other advances contains advance provided against good, services and others

**Others includes refund receivable for railway freight from railway authority, gold coin, reimbursement of expenses, etc

12.1 : Equity share capital

₹ in Lakhs

Particulars	As at 31st March, 2026	As at 31st March, 2025
Authorised :	67,500.00	67,500.00
67,50,00,000 Equity shares of ₹10/- each		
(Previous year 67,50,00,000 Equity shares of ₹10/- each)		
Issued, subscribed and fully paid-up :	60,775.11	60,775.11
60,77,51,096 Equity Shares of ₹10/- each		
(Previous Year 60,77,51,096 Shares of ₹10/- each)		
Total	**60,775.11**	**60,775.11**
Equity share capital reconciliation		
No of equity shares with the face value of ₹ 10 each at the beginning of the period	60,77,51,096	60,77,51,096
No.of equity shares at the end of the period	60,77,51,096	60,77,51,096
Equity share capital	**60,775.11**	**60,775.11**

a) Terms and rights attached to Equity Shares - The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholder in ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation of the Company, the shareholders will be eligible to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

b) **Details of shareholders holding more than 5% shares in the Company:**

Particulars	No of Shares (%)	No of Shares (%)
Hon'ble President of India	60,18,77,627 (99.03%)	60,18,77,627 (99.03%)

Notes to the Financial Statements

c) Shareholding of promoters :

₹ in Lakhs

Promoter Name	Shares held by promoters at the end of the year		Shares held by promoters at the beginning of the year		% Change during the year
	No. of Shares	%of total shares	No. of Shares	%of total shares	
Hon'ble President of India	60,18,77,627	99.03%	60,18,77,627	99.03%	Nil

For the period of preceding five years as on the Balance Sheet Date

Particulars	Number of shares
(a) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash	Nil
(b) Aggregate number of shares allotted as fully paid up by way of bonus shares	Nil
(c) Aggregate number and class of shares bought back	
- During FY 2020-21 (Dec 2020)	1,41,74,469

12.2 : Other equity

₹ in Lakhs

Particulars	As at 31st March, 2026	As at 31st March, 2025
Capital redemption reserve	2,676.27	2,676.27
General reserve	1,02,249.37	1,02,249.37
Retained earnings	5,084.75	3,428.21
Other comprehensive income	2,837.27	2,021.40
Total	**1,12,847.66**	**1,10,375.25**

a) **General reserve:**

The general reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

b) **Capital redemption reserve**

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilized in accordance with the provisions of Section 69 of the Companies Act, 2013.

c) **Retained Earnings:**

This reserve represents undistributed accumulated earnings of the Company as on balance sheet date.

d) **Other Comprehensive Income:**

Other comprehensive income consist of re-measurement of net defined benefit liability/asset.

₹ in Lakhs

Particulars	As at 31st March, 2026	As at 31st March, 2025
Capital redemption reserve		
Balance at beginning of the year	2,676.27	2,676.27
Balance at end of year	**2,676.27**	**2,676.27**
General reserve		
Balance at beginning of the year	1,02,249.37	1,02,249.37
Balance at end of year	**1,02,249.37**	**1,02,249.37**

Notes to the Financial Statements

₹ in Lakhs

Particulars	As at 31st March, 2026	As at 31st March, 2025
Retained earnings		
Balance at beginning of the year	3,428.21	23,886.48
Movement		
Add: Profit/ (Loss) for the year	1,656.54	-20,458.27
Balance at end of year	**5,084.75**	**3,428.21**
Other comprehensive income		
Balance at beginning of the year	2,021.40	2263.11
Movement		
Add/(Less) : Re-measurements of defined benefits obligations (Net of Tax)	815.87	-241.71
Balance at end of year	**2,837.27**	**2,021.40**

13.1 : Lease Liabilities (Non-current)

₹ in Lakhs

Particulars	As at 31st March, 2026	As at 31st March, 2025
Land	17,436.27	17,695.21
Building	14.07	36.79
Total	**17,450.34**	**17,732.00**

Movement of Lease liability disclosed at Note No 28.2.5

13.2 : Other financial liabilities (Non-current)

₹ in Lakhs

Particulars	As at 31st March, 2026	As at 31st March, 2025
Security deposits from suppliers, contractors and others	12.87	18.08
Total	**12.87**	**18.08**

14 : Provisions (Non-current)

₹ in Lakhs

Particulars	As at 31st March, 2026	As at 31st March, 2025
Provision for Employee Benefits		
Compensated absence - earned leave and sick leave	5,430.96	5,705.60
Provident fund interest guarantee obligation	31.38	899.89
Gratuity	752.95	
	6,215.29	**6,605.49**
Provision for others		
Restoration of Kudremukh Mine and Mine Closure	2,361.40	2,361.40
Total	**8,576.69**	**8,966.89**

Movement of Provision for others

₹ in Lakhs

Particulars	As at 31st March, 2026	As at 31st March, 2025
Balance at the beginning of the year	2,361.40	2,361.40
Recognised/ (released) during the year	-	-
Utilised during the year	-	-
Balance at the end of the year	**2,361.40**	**2,361.40**

Notes to the Financial Statements

15.1 : Lease liabilities (Current)

₹ in Lakhs

Particulars	As at 31st March, 2026	As at 31st March, 2025
Land	1,709.97	1,572.15
Building	26.93	26.52
Total	**1,736.90**	**1,598.67**

15.2 : Trade payables

₹ in Lakhs

Particulars	As at 31st March, 2026	As at 31st March, 2025
Trade Payables		
(i) total outstanding dues of micro and small enterprises ; and	1,327.06	947.79
(ii) total outstanding dues of creditors other than micro and small enterprises	20,704.94	19054.07
Grand Total	**22,032.00**	**20,001.86**
Disclosure Relating to Micro and Small Enterprises		
i) The principal amount remaining unpaid to the supplier as at the end of the year	1,327.06	947.79
ii) The interest due on the above amount, remaining unpaid to the supplier as at the end of the year.	Nil	Nil
iii) the amount of interest paid in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
iv) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act,2006;	Nil	Nil
v) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
(vi) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

Trade Payables ageing schedule:

for the year ended 31st March, 2026

₹ in Lakhs

Particulars	Not Due	Outstanding for the following period from due date of payments				Total
		< 1 year	1-2 years	2-3 years	> 3 years	
(i) MSME	1,327.06					1,327.06
(ii) Others	9,835.28	3,178.81				13,014.09
(iii) Disputed dues – MSME						-
(iv) Disputed dues – Others					7,690.85	7,690.85
Total	**11,162.34**	**3,178.81**	-	-	**7,690.85**	**22,032.00**

for the year ended 31st March, 2025

₹ in Lakhs

Particulars	Not Due	Outstanding for the following period from due date of payments				Total
		< 1 year	1-2 years	2-3 years	> 3 years	
(i) MSME	947.79		-	-	-	947.79
(ii) Others	6,102.14	5,261.08	-	-	-	11,363.22

Notes to the Financial Statements

₹ in Lakhs

Particulars	Not Due	Outstanding for the following period from due date of payments				Total
		< 1 year	1-2 years	2-3 years	> 3 years	
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	7,690.85	7,690.85
Total	**7,049.93**	**5,261.08**	**-**	**-**	**7,690.85**	**20,001.86**

15.3 : Other financial liabilities (Current)

₹ in Lakhs

Particulars	As at 31st March, 2026	As at 31st March, 2025
Security deposits from suppliers, contractors and others	2446.18	2283.47
Earnest money deposit from suppliers, contractors and others	231.70	178.77
Employee benefits payable	3493.02	2,936.30
Total	**6,170.90**	**5,398.54**

16: Other current liabilities

₹ in Lakhs

Particulars	As at 31st March, 2026	As at 31st March, 2025
Contract liabilities	1,651.36	1,602.21
Ongoing CSR Projects	26.49	29.59
Unclaimed dividend	2.20	2.77
Statutory remittances	606.53	610.20
Total	**2,286.58**	**2,244.77**

17 Provisions (Current)

₹ in Lakhs

Particulars	As at 31st March, 2026	As at 31st March, 2025
Provision for Employee Benefits		
Other superannuation benefits	925.51	292.63
Compensated absence - earned leave and sick leave	1004.08	1010.93
Provident fund interest guarantee obligation	322.63	426.43
Gratuity	188.82	
Total	**2441.04**	**1729.99**

18.1 : Revenue from operations

₹ in Lakhs

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Sale of products		
Pellets	3,721.52	48,369.86
Auxiliary	55.18	5.46
Net sales	**3,776.70**	**48,375.32**
Sale of services		
Manufacturing and Other Allied Services	57,046.63	10,505.38

Notes to the Financial Statements

₹ in Lakhs

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Exploration Services	295.48	164.93
	57,342.11	10,670.31
Other operating revenue		
Provision no longer required (Net)*	224.21	
Despatch money	3.39	6.84
Total	61,346.41	59,052.47

1. Sale of Products are generally against advance payment by customers or are against letters of credit/ cash against documents and proceeds are realised within one month period. Accordingly, the amount of consideration does not contain any significant financing component.

2. Sale of Services including Manufacturing services, sales and marketing and exploration are rendered to Departments of Central Government/State Government / Central PSUs/ State PSUs/ Corporates with short term credit period of one- two months and does not contain any significant financing component.

3. As per the terms of the contract with its customers, the Company has a right to receive consideration from its customers for all completed performance obligations. Accordingly, the Company has availed the practical expedient available under paragraph 121 of Ind AS 115 and dispensed with the additional disclosures with respect to performance obligations that remained unsatisfied (or partially unsatisfied) at the balance sheet date. Further, since the terms of the contracts directly identify the transaction price for each of the completed performance obligations there are no elements of transaction price which have not been included in the revenue recognized in the financial statements. Further, there is no material difference between the contract price and the revenue from contract with customers.

4. Revenue recognised are Net of Goods and service Tax. (GST)

5. * Provision towards operating expenditure of earlier period reversed during the year upon confirmation from the supplier

18.2 : Other Income

₹ in Lakhs

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Interest income on financial assets measured at amortised cost		
On deposits with banks	5,428.40	4,255.42
Others*	108.79	102.41
Interest income on Income Tax refund#	668.35	20.09
Net gain on financial assets designated at fair value through profit or loss	173.96	69.89
Other Non-operating income		
Provision no longer required (Net)	139.66	
Sale of Scrap	139.77	57.99
Rent Income	462.70	437.43
Net gain on disposal of property, plant and equipment	65.26	5.45
Hire charges	0.81	0.91
Others**	2,291.58	60.66
Total	9,479.28	5,010.25

* Other includes interest on security deposit from DISCOM, loan to employees, etc .

Interest Income on income tax refund adjusted against demand for AY 2018-19

**Others includes Supply of Manpower to other PSU for ₹ 1,972.61 lakhs (previous year Nil) and balance towards sale of tender document, liquidated damage, railway claims etc.

Notes to the Financial Statements

19.1 Cost of materials consumed

₹ in Lakhs

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Iron ore fines	281.45	16,228.22
Total	**281.45**	**16,228.22**

19.2 : Changes in Inventories (Increase)/Decrease

₹ in Lakhs

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Finished Stock-Pellet		
Balance as at the beginning of the year	1,393.00	16,275.26
Less: Balance as at the end of the year	39.62	1,393.00
Change in Inventories- Finished Goods	**1,353.38**	**14,882.26**
Work in progress-Pellet feed		
Balance as at the beginning of the year	1,981.83	12,189.16
Less: Balance as at the end of the year	464.40	1,981.83
Change in Inventories- Work- in progress	**1,517.43**	**10,207.33**
Total	**2,870.81**	**25,089.59**

19.3 Cost of consumable stores spares & additives

₹ in Lakhs

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Cost of stores & spares consumed	3,783.13	2,450.72
Cost of consumables & additives consumed	8,712.80	3,389.28
Total	**12,495.93**	**5,840.00**

19.4 Power & fuel

₹ in Lakhs

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Power	12,328.70	4,076.57
Fuel- furnace oil	16,002.87	7,433.85
Total	**28,331.57**	**11,510.42**

20 : Direct cost towards service contract *

₹ in Lakhs

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Exploration services	87.15	76.36
Total	**87.15**	**76.36**

*Note: Expenditure against Manufacturing and other allied service are mainly power, fuel, additives, stores and spares and manpower has been classified under respective head of expenditure

Notes to the Financial Statements

21 : Employee benefits expense

₹ in Lakhs

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Salaries and wages	12,121.29	13,392.94
Contribution to provident and other funds	3,808.98	1,702.99
Staff welfare expenses	566.74	639.48
Total	**16,497.01**	**15,735.41**

22 : Finance costs

₹ in Lakhs

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Interest expenses in financial liabilities measured at amortized cost		
Interest on short term borrowings	0.06	59.20
Interest On lease liabilities	1,455.22	1,466.12
Total	**1,455.28**	**1525.32**

23.1: Depreciation and amortization Expenses

₹ in Lakhs

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Property plant and equipment	2,512.84	2,727.57
Right of use assets	923.22	927.37
Other intangible assets	481.77	295.64
Total	**3,917.83**	**3,950.58**

23.2 : Lifetime expected credit loss

₹ in Lakhs

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Balance as on beginning of the year	420.52	480.00
Balance as on closing of the year	557.77	420.52
Lifetime expected credit loss/(Write Back)	**137.25**	**-59.48**

24 : Other Expenses

₹ in Lakhs

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Rent	17.28	16.43
Rates and taxes	549.57	149.36
Insurance charges	101.78	107.84
Travelling expenses	137.21	69.84
Repairs and Maintenance		
Building	33.63	149.66
Machinery	193.05	287.92
Others	1,403.03	951.26
	1,629.71	**1,388.84**
Postage and telephone charges	60.90	36.69
Advertisement and publicity	7.17	41.86

Notes to the Financial Statements

₹ in Lakhs

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Expenses on security	303.17	1,062.64
Payment to auditors		
for Audit	8.50	8.50
for Taxation matters	1.65	1.65
for Other services	1.80	1.70
for Reimbursement of expenses	1.20	1.20
	13.15	**13.05**
Cost audit fee and reimbursement expenses	0.55	0.54
Demurrage charges	14.51	102.55
Port charges, sampling survey and cess	13.21	456.58
Bank charges including discounting of bills	8.74	9.78
Entertainment	5.40	8.65
Forest, ecology & pollution control expenses	7.52	40.15
Directors Sitting fees	2.30	4.84
Corporate social responsibility*		486.04
Exchange variation	36.22	106.58
Provision for Surplus Stores, DDRs and others		1.69
Maintenance Contract for SAP ERP	341.55	127.46
Miscellaneous expenses	312.62	441.56
Total	**3,562.56**	**4,672.97**
***Information on CSR Expenditure**		
CSR expenditure made during the year	-	
CSR expenditure carry forward for set off in subsequent years	-	-
CSR expenditure set off out of carry forward	-	486.04
CSR expenditure for the year	-	486.04
Additional disclosure with regard to CSR activities are summarized below:		
Amount required to be spent by the company during the year	Nil	149.72
Amount of expenditure incurred by the Company during the year	Nil	486.04
Shortfall at the end of the year	Nil	Nil
Total of previous years shortfall	Nil	Nil
Voluntarily	Nil	336.32

25 : Tax expense

₹ in Lakhs

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
(a) Current tax relating to		
Current year	-	-
Earlier years	-	-
Total current tax	-	-
(b) Deferred tax	-467.69	(48.40)
Total	**-467.69**	**-48.40**
Reconciliation between the average effective tax rate and the applicable tax rate:		
Profit/(loss) before taxes	1188.85	(20,506.67)
Tax rate as per applicable tax laws	25.17%	25.17%
Computed tax expense	Nil	Nil
Tax effect of		
Depreciation	Nil	Nil
CSR expenditure	Nil	Nil
Provisions	Nil	Nil

Notes to the Financial Statements

₹ in Lakhs

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Lease/ROU	Nil	Nil
Donations	Nil	Nil
Other items	Nil	Nil
Total adjustment	**Nil**	**Nil**
Current Tax	**Nil**	**Nil**

26 : Other Comprehensive Income

₹ in Lakhs

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Items that will not be re-classified to Profit and Loss		
Remeasurement of defined benefit plan	1090.27	(323.00)
Less : Tax (expenses)/benefit on OCI	(274.40)	81.29
Total	**815.87**	**(241.71)**

27: Earnings per Equity Share

₹ in Lakhs

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
(a) Profit/ (loss) attributable to equity shareholders (₹ in Lakhs)	1,656.54	(20,458.27)
(b) Weighted average number of Equity Shares outstanding during the year	607751096	607751096
(c) Basic and Diluted EPS (₹)	0.27	(3.37)
(d) Face value per share (₹)	10.00	10.00

Notes to the Financial Statements

28.1.1 Ratios

S. NO.	Ratios	Numerator	Denominator	31st March, 2026	31st March, 2025	% Variance	Reason for variance
a)	Current Ratio (in times)	Total current assets	Total current liabilities	3.38	3.56	-4.99%	
b)	Debt Service Coverage Ratio (in times)	Earning available for debt service	Debt service	4.10	-8.70	147.19%	Reduction in operating loss during the year.
c)	Return on Equity Ratio (in %)	Net Profit after tax	Average Shareholders' Equity	0.96%	-11.27%	108.53%	Reduction in operating loss during the year.
d)	Inventory Turnover Ratio (in times)	Sales	Average Inventory	0.29	1.66	-82.69%	Decrease in revenue from sale of product
e)	Trade receivables turnover ratio (in times)	Net Credit Sales	Average Accounts receivable	19.70	25.00	-21.17%	
f)	Trade payables turnover ratio (in times)	Net Credit Purchase	Average Trade Payable	0.57	0.63	-10.61%	
g)	Net Capital Turnover Ratio (in times)	Net Sales	Average Working Capital	0.76	0.65	16.65%	
h)	Net Profit Ratio (in %)	Net Profit after tax	Net Sales	2.70%	-34.64%	107.79%	Reduction in operating loss during the year.
i)	Return on Capital Employed (in %)	Earning before Interest and Taxes	Capital Employed	2.24%	-16.21%	113.79%	Reduction in operating loss during the year.
j)	Return on Investment- Liquid Mutual Fund (in %)	Time adjusted return	Investment	6.29%	7.17%	-12.27%	

Notes to the Financial Statements

28.1.2 Contingent liabilities and capital commitments

A. Contingent liabilities

1.1 Claims against the company not acknowledged as Debt

(₹ in Lakhs)

S. No	Particulars	As on 31st March, 2026	As on 31st March, 2025
A	Disputed claims under Excise Duty, Service Tax and Income Tax		
(i)	Excise Duty (Demand for Special additional duty on DTA sales of Pellet for the FY 2010-11 & FY 2011-12, order passed by Hon'ble CESTAT on 17th Feb, 2022 upholding the benefit of Notification No. 23/2003-CE dated 31st March, 2003 with condition to produce proof of payment of VAT. The Company has filed a rectification of mistake (ROM) application and the same has been heard on 19th May, 2023, the final order for the ROM passed on 10th July 2023 without rectification except the correction of clerical error. The Company has preferred an appeal before Hon'ble High Court of Karnataka. on 5th December 2023. The appeal has been allowed by Hon'ble High Court of Karnataka, order passed on 3rd December 2025 by restoring the matter to the Tribunal for reconsideration. The matter is pending before Tribunal (CESTAT), Bangalore for reconsiderations.	5,848.31	5,848.31
(ii)	Customs Duty Appeal against demand of ₹ 2,056.98 lakhs and ₹ 939.02 Lakhs plus interest. penalty and fines preferred before the Commissioner of Custom (Appeal) dated 9th April 2025 and CESTAT dated 30th April 2025 respectively against additional Export Duty, Interest, penalty and Fines levied on export of pellet during the year FY 2022-23. Commissioner of Appeals has upheld the demand of ₹2,056.98 lakhs vide order dated 29th October' 2025, Company has filed appeals before CESTAT on 11th February 2026 against order of Commissioner of Appeals. First hearing was held on 5th May 2026 and next hearing has been scheduled for 6th July 2026. CESTAT appeal dated 30th April 2025 is pending for hearing.	5,311.61	4,862.21
(iii)	Service Tax Service Tax demand on dispatch money for the FY 2012-13 & 2013-14, the department has filed appeal before CESTAT against the order of the Commissioner (Appeal).	60.77	60.77
(iv)	Income Tax The Company has filed an appeal before CIT (Appeal) against Income Tax assessment order for Assessment Year 2018-19 against certain adjustment in computing income under the Income Tax Act,1961. In response to notice dated 21st May 2025, written submission was filed online on 5th June 2025. Subsequently, against the notice dated 19th May 2026, a written submission filed online on 26th May 2026 online.	5,851.21	5,851.21
(v)	Goods & Service Tax (GST) Assessing officer has issued demand of Tax, Interest and Penalty for the FY 2020-21 against mismatch of ITC vide DRC07 dated 27th Feb, 2025. The Company filed rectification of mistake apparent from record on 02nd April 2025 which has been accepted by the department based on personal hearing held on 28th July 2025.	-	13.03
B	Claims by parties under Dispute/Arbitration/ Court Proceedings		
(i)	Demand raised by Forest Department, Govt of Karnataka for raising height of Lakya dam, Kudremukh, arrear lease rent, permit & supervision charges and afforestation charges, interest & penalty, which is disputed by Company.	20,823.36	16,377.36
(ii)	Distance based charges claimed by East Coast Railways and penalty thereon (refer Note no. 28.3.1)	34,704.58	34,704.58
(iii)	Forest Development Tax (NMDC)*	11,057.62	11,057.62

Notes to the Financial Statements

(₹ in Lakhs)

S. No	Particulars	As on 31st March, 2026	As on 31st March, 2025
(iv)	M/s Haryana Khanak project- (HSIDC) (Bank Guarantee submitted towards security deposit, invoked by M/s HSIDC, the Company filed appeal before the Hon'ble Civil Court, Panchkula, Haryana and favorable order was passed. M/s HSIDC filed appeal against order of Civil Court Panchkula, Haryana)	1,500.00	1,500.00
(v)	Others (Includes claims by employees, stock exchanges, contractors etc) Note: Additional disputed claims raised during the years has been included.	1,843.97	1,522.70
	Total	87,001.43	81,797.79

* Rs.11,057.62 Lakhs (Previous year Rs 11,057.62 Lakhs) towards Forest Development Tax (FDT) at the rate of 12% of basic price of iron ore. The supplier NMDC Limited has filed a writ petition before the Hon'ble High Court of Karnataka challenging the levy of the same. The case was disposed of vide order dated 3rd December, 2015 directing the Govt. of Karnataka to refund the FDT within three months. However, the Govt. of Karnataka has filed Special Leave Petition before the Hon'ble Supreme Court of India. The matter was listed on 9th August, 2019 and the Hon'ble Supreme court directed to list the appeal for hearing.

Further, against Rs 11,057.62 Lakhs, an amount of Rs.2,617.43 Lakhs (Previous year Rs 2,617.43 Lakhs) (equivalent to 25% of FDT) collected earlier by NMDC as per the interim order of Hon'ble Court is shown under "Other Non-Current Assets" in Books of Accounts and the Bank Guarantee equivalent to Rs.2,734.87 Lakhs (Previous year Rs 2,734.87 Lakhs) furnished to NMDC in this regard has not been included under the contingent liabilities against Bills discounted/Letter of Credits/ Bank guarantees.

* Rs.5,311.61 Lakhs (Previous year Rs 4,862.21 Lakhs) towards Custom duty interest, penalty and fine on Export of Pellets during the FY 2022-23, the Company has filled appeal before CESTAT includes Rs. 370.00 lakhs Bank Guarantee submitted to the commissioner of Custom Mangalore for issuing no dues certificate towards 10% of the demand excluding interest has not been included under the contingent liabilities against Bills discounted/Letter of Credits/ Bank guarantees.

1.2 Contingent liabilities against Bills discounted/Letter of Credits/ Bank guarantees

₹ in Lakhs

Particulars	As on 31st March, 2026	As on 31st March, 2025
Contingent liabilities against Bills discounted/Letter of Credits/ Bank guarantees*	3,227.95	4,173.95

* Excluding BG mentioned at Sr. B (iii) above in contingent liability.

B. Capital commitments.

₹ in Lakhs

Particulars	As on 31st March, 2026	As on 31st March, 2025
Estimated amount of the contracts to be executed on capital account and not provided for (net of advances)	7,924.97	8,881.66

Notes to the Financial Statements

28.2.1 Employee Benefits as per Ind AS 19

a) PF interest Guarantee:

The Company's contribution to the Provident Fund is remitted to a separate Trust based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. Further, the Company makes good the shortfall, if any, in the return from investments of the Trust vis-à-vis the notified rate of interest, based on actuarial valuation.

Disclosures as required by Ind AS 19

(₹ in Lakhs)

	DEFINED BENEFIT PLANS - PF INTEREST GUARANTEE	PF INTEREST GUARANTEE	
		31st March 2026	31st March 2025
I.	Principal Actuarial Assumption (Expressed as weighted averages)		
	Discount Rate	6.75%	6.60%
	PF Interest Guarantee	8.25%	8.25%
	Salary escalation rate	11.00%	11.00%
	Attrition rate	5.00%	5.00%
	Expected rate of return on Plan Assets	6.75%	6.60%
	Mortality rate during employment	Standard Indian Assured Lives (2012-14)	
II.	CHANGES IN THE DEFINED BENEFIT OBLIGATION (DBO)		
	DBO as at the beginning of the period	42,002.64	53,679.74
	Interest Cost	2,676.95	3,363.40
	Current service cost	905.45	973.37
	Past service cost	47.35	150.31
	Plan participants contribution	1,455.26	1,598.38
	Benefits paid	(5,246.36)	(16,503.38)
	Actuarial loss/(gain) on obligation	638.01	765.27
	Value of interest rate guarantee	-	-
	Liabilities extinguished on settlements (Non Refundable Loans)	(1,269.29)	(2,024.45)
	DBO as at the end of the period	41,210.01	42,002.64
III.	CHANGES IN THE FAIR VALUE OF PLAN ASSETS		
	Fair value of plan assets as at the beginning of the period	40,676.32	52,542.34
	Return on plan assets including Interest Income	4,120.33	3,696.83
	Employer contributions	905.45	9,73.37
	Plan participants contribution	1,455.25	1,598.38
	Transfer in	47.35	150.31
	Benefits paid	(4,829.97)	(16,260.46)
	Actuarial gain/(loss) on plan assets	-	-
	Non Refundable Loans Disbursed	1,269.29	(2024.45)
	Fair value of plan assets as at the end of the period	41,105.45	40,676.32
IV.	ACTUAL RETURN ON PLAN ASSETS		
	Return on plan assets	4,120.33	3,696.83
	Actuarial gain (loss) on plan assets		
	Actual return on plan assets	4,120.33	3,696.83
V.	AMOUNTS RECOGNISED IN THE BALANCE SHEET		
	Present value of the obligation	41,210.01	42,002.65
	Fair value of plan assets	41,105.45	40,676.32
	Net Defined Benefit Liability recognized in the balance sheet	104.55	1,326.33
	Current	73.17	426.44
	Non-Current	31.38	899.89
VI.	AMOUNT RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS:		
	Interest guarantee Obligations	249.45	-
	Amount recognized in the statement of profit and loss	-	-
VII.	AMOUNT RECOGNIZED IN THE OTHER COMPREHENSIVE INCOME [OCI]		
	Actuarial (Gain)/Loss due to financial assumptions change in DBO	(28.64)	28.08
	Actuarial (Gain)/Loss due to experience in DBO	666.65	737.19

Notes to the Financial Statements

(₹ in Lakhs)

DEFINED BENEFIT PLANS - PF INTEREST GUARANTEE		PF INTEREST GUARANTEE	
		31st March 2026	31st March 2025
	Return on plan assets (Greater)/ less than discount rate	(1,517.18)	(406.58)
	Impact of Assets ceiling	73.80	73.15
	Total actuarial (Gain)/ Loss recognized in OCI	(805.38)	431.84
VII.	MAJOR CATEGORIES OF PLAN ASSETS (AS PERCENTAGE OF TOTAL PLAN ASSETS)		
	Government Securities	68.93%	65.42%
	High Quality Bonds	22.65%	28.06%
	Mutual Funds Regulated by SEBI	5.59%	4.16%
	Current assets	2.75%	1.06%
	Balance in Banks	0.08%	1.30%
	Total	100%	100%

Notes:

(i) The Company is exempted under Section 17 of the EPF & MP Act, 1952 and the PF corpus is managed by a Trust. The plan assets of the Trust are managed by Board of Trustees.

(ii) Discount rate is based on the prevailing market yield of Indian Government securities as at the balance sheet date for the estimated term of the obligation.

(iii) The salary escalation rate is arrived taking into consideration the seniority in the promotion and other relevant factors, such as demand supply in employment market.

Sensitivity Analysis Method

Sensitivity Analysis Method is determined based on the expected movement in liability if the assumptions were not proved to be true on different count.

Particulars	31st March 2026	31st March 2025
A. PF Interest Guarantee Rate + 25 BP	8.50%	8.50%
Defined Benefit Obligation [DBO] (₹ in Lakhs)	41,543.06	42,351.06
B. PF Interest Guarantee - 25 BP	8.00%	8.00%
Defined Benefit Obligation [DBO] (₹ in Lakhs)	40,973.06	41,747.14
C. Discount rate + 25 BP	7.00%	6.85%
Defined Benefit Obligation [DBO] (₹ in Lakhs)	41,203.35	41,990.83
D. Discount rate - 25 BP	6.50%	6.35%
Defined Benefit Obligation [DBO] (₹ in Lakhs)	41,225.23	42,014.64
E. Expected rate of Return + 25 BP	7.00%	6.85%
Defined Benefit Obligation [DBO] (₹ in Lakhs)	41,104.60	41,886.51
F. Expected rate of Return - 25 BP	6.50%	6.35%
Defined Benefit Obligation [DBO] (₹ in Lakhs)	41,323.83	42,118.79

The expected future cash flows (undiscounted) is as follows:

(₹in Lakhs)

Particulars	< 1Year	Between 1-2 years	Between 2-5 years	> 5 years	Total
31st March 2026:					
Defined Benefit Obligation (PF)	4,692.91	7,211.80	18,815.77	28,586.93	59,307.41
Total	4,692.91	7,211.80	18,815.77	28,586.93	59,307.41
31st March 2025:					
Defined Benefit Obligation (PF)	5,810.94	4,956.61	19,591.20	29,349.71	59,708.46
Total	5,810.94	4,956.61	19,591.20	29,349.71	59,708.46

Notes to the Financial Statements

Risk Exposure: Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

i) **Interest Risks:** A Decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

ii) **Liquidity Risk:** This is the risk that the Company is not able to meet the short-term Provident Fund pay outs. This may arise due to non-availability of enough cash / cash equivalent to meet the liabilities or holding of ill liquid assets not being sold in time.

iii) **Market Risk:** Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

iv) **Legislative Risk/Regulatory Risk:** Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Provident Fund Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

b) **Gratuity:**

Liability with regard to gratuity benefits payable in future is determined by actuarial valuation at the end of the year using the projected unit method. Net provision towards Gratuity fund for the year is ₹ 1,587.73 Lakhs (Previous year ₹ 159.84 Lakhs (net)). The Company operates a gratuity plan administered by LIC under Group Gratuity Life Assurance Scheme of LIC of India. Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year or part thereof in excess of 6 months of service subject to a maximum of ₹ 25 Lakhs with effect from 01.10.2025 (previous year ₹ 20 Lakh) as adopted by the Company through resolution in 257th meeting of the Board held on 26th March 2019. With the enhancement of Gratuity limit during the year, past service cost of ₹ 1,389.38 lakhs has increased previous year Nil). The same is payable at the time of separation from the company or retirement, whichever is earlier. Net liability recognized in Balance Sheet is ₹ 941.77 Lakhs under Note no 14 and 17 (Previous year Net Assets ₹ 305.45 Lakhs under note no-7).

On November 21, 2025, the Government of India notified four Labour Codes, effective immediately, replacing the existing 29 labour laws. In accordance with Ind AS 19 – Employee benefits, changes to employee benefit plans arising from legislative amendments are treated as plan amendments, requiring immediate recognition of past service cost in the Statement of Income. This approach is consistent with the guidance issued by the Institute of Chartered Accountant of India.

The Company has concluded the salary restructuring exercise in compliance with the Labour Codes. The implementation of the Labour Code has resulted in a net increase of ₹ 34.59 lakhs in the provision for gratuity, which has been recognized as employee benefit expense in the current year. The Company continues to monitor the finalization of Central and State Rules, as well as Government clarifications on other aspects of the Labour Codes.

Disclosures as required by Ind AS 19

(₹ in Lakhs)

	DEFINED BENEFIT PLANS - GRATUITY	GRATUITY	
		31st March 2026	31st March 2025
I.	Principal Actuarial Assumption (Expressed as weighted averages)		
	Discount Rate	6.75%	6.60%
	Salary escalation rate	11.00%	11.00%
	Attrition rate	5.00%	5.00%
	Expected rate of return on Plan Assets	6.75%	6.60%
	Mortality rate during employment	Standard Indian Assured Lives (2012-14)	
II.	CHANGES IN THE PRESENT VALUE OF THE OBLIGATION (PVO)		
	PVO as at the beginning of the period	7438.45	8064.74
	Interest Cost	446.81	518.97
	Current service cost	190.20	197.46

Notes to the Financial Statements

(₹ in Lakhs)

DEFINED BENEFIT PLANS - GRATUITY		GRATUITY	
		31st March 2026	31st March 2025
	Past service cost	1423.97	-
	Benefits paid	(996.73)	(1,265.79)
	Actuarial loss/(gain) on obligation	(213.55)	(76.93)
	PVO as at the end of the period	8,289.15	7438.45
III.	CHANGES IN THE FAIR VALUE OF PLAN ASSETS		
	Fair value of plan assets as at the beginning of the period	7,743.92	8,487.85
	Expected return on plan assets	473.25	556.59
	Contributions	-	-
	Benefits paid	(996.58)	(1,332.42)
	Actuarial gain/(loss) on plan assets	71.34	31.90
	Fair value of plan assets as at the end of the period	7,291.93	7,743.92
IV.	ACTUAL RETURN ON PLAN ASSETS		
	Expected return on plan assets	473.25	556.59
	Actuarial gain (loss) on plan assets	71.34	31.90
	Actual return on plan assets	547.59	588.49
V.	AMOUNTS RECOGNISED IN THE BALANCE SHEET		
	Present value of the obligation	8,289.15	7,438.45
	Fair value of plan assets	7,291.93	7,743.91
	Net Defined Benefit Liability/(Assets) recognized in the balance sheet	997.22	(305.46)
	Non-Current	752.95	(305.46)
	Current	244.27	-
VI.	AMOUNT RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS:		
	Current service cost	190.20	197.47
	Past service cost	1423.97	-
	Net Interest on Net Defined Benefit Obligations	(26.44)	(37.62)
	Amount recognized in the statement of profit and loss	1587.73	159.84
VII.	AMOUNT RECOGNIZED IN THE OTHER COMPREHENSIVE INCOME [OCI]		
	Actuarial (gain)/loss on Plan Obligations	(213.55)	(76.93)
	Actuarial gain/(loss) on plan assets	(71.33)	(31.90)
	Amount recognized in OCI	(284.89)	(108.83)

Notes:

i. The plan assets of the Company are managed by Life Insurance Corporation of India through a trust managed by the company in terms of an insurance policy taken to fund obligations of the Company with respect to its gratuity plan. The categories of plan assets as a percentage of total plan assets is based on information provided by Life Insurance Corporation of India. Information on categories of plan assets as at 31 March, 2026 and 31 March, 2025 has not been provided by Life Insurance Corporation of India.

ii. The plan assets have been primarily invested in insurer managed funds. The Company contributes all ascertained liabilities towards gratuity to the Fund. The Gratuity plan provides a lump sum payment to the vested employees at retirement, death, incapacitation or termination of employment based on the respective employee's salary and tenure of the employment with the company.

iii. Expected Contribution in respect of Gratuity for next year will be ₹ 244.28 Lakhs (For the year ended March 31, 2026 ₹ 190.20 Lakhs).

iv. Discount rate is based on the prevailing market yield of Indian Government securities as at the balance sheet date for the estimated term of the obligation.

v. The salary escalation rate is arrived taking into consideration the seniority in the promotion and other relevant factors, such as demand supply in employment market.

Notes to the Financial Statements

Sensitivity Analysis Method

Sensitivity Analysis Method is determined based on the expected movement in liability if the assumptions were not proved to be true on different count.

Particulars	31st March 2026	31st March 2025
A. Discount Rate + 100 BP	7.75%	7.60%
Defined Benefit Obligation [PVO] (₹ in Lakhs)	7,937.80	7,124.25
B. Discount Rate - 100 BP	5.75%	5.60%
Defined Benefit Obligation [PVO] (₹ in Lakhs)	8,671.08	7,780.68
C. Salary Escalation Rate + 100 BP	12.00%	12.00%
Defined Benefit Obligation [PVO] (₹ in Lakhs)	8,367.82	7,481.12
D. Salary Escalation Rate - 100 BP	10.00%	10.00%
Defined Benefit Obligation [PVO] (₹ in Lakhs)	8,206.24	7,392.90

The weighted average duration of the Defined Benefit Obligation is 4.44 years (2024-25 4.61 years). The expected maturity analysis of undiscounted gratuity is as follows:

(₹ in Lakhs)

Particulars	< 1Year	Between 1-2 years	Between 2-5 years	> 5 years	Total
31st March 2026:					
Defined Benefit Obligation (Gratuity)	1,367.44	1,544.35	3,467.12	3,399.28	9,778.19
Total	**1,367.44**	**1,544.35**	**3,467.12**	**3,399.28**	**9,778.19**
31st March 2025:					
Defined Benefit Obligation (Gratuity)	1,337.07	1,089.27	3,297.90	2,863.44	8,587.68
Total	**1,337.07**	**1,089.27**	**3,297.90**	**2,863.44**	**8,587.68**

Risk Exposure: Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

(i) **Inflation Risks :** In the post-retirement plans ie, gratuity, the payment is not linked to inflation, so this is a less material risk.

(ii) **Life Expectancy :** The post-retirement plan obligations is to provide benefits for the life of the member, so regularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

C) Contribution to Defined Contribution Plan (net), recognized as expense for the year is as under:

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Post retirement Pension scheme*	595.39	212.34
Employee pension scheme 1995 (EPFO)	63.99	74.28
Post retirement medical scheme*	254.72	273.13

* During the current year post retirement pension scheme and post-retirement medical was estimated for ₹ 595.39 Lakhs (Previous year ₹ 212.34) and 254.72 Lakhs (₹ 273.13 Lakh) respectively

d) (i) Contribution to other long-term benefits plan (net) (long term compensated absence)

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Earned leave (EL)	656.94	878.68
Sick leave (HPL)	165.25	395.68

Notes to the Financial Statements

(ii). Present Value of Future Obligations (as at the Balance Sheet date) as per actuarial for long term compensated absence

For the year ended 31st March 2026

(₹ in Lakhs)

Particulars	Current	Non- Current
Earned Leave (EL)	601.55	2,799.71
Sick Leave (HPL)	402.53	2,631.25

For the year ended 31st March 2025

(₹ in Lakhs)

Particulars	Current	Non- Current
Earned Leave (EL)	622.63	2,980.25
Sick Leave (HPL)	388.30	2,725.35

28.2.2 Segment Reporting as per Ind AS 108

The Company is having two main operating segments i.e., 'Pellet' and 'Pig Iron'. Expenses relating to Kudremukh unit and the Corporate Office have been fully allocated to Pellet segment. Segment Reporting as per Ind AS-108 is as follows:

₹ in Lakhs

Particulars	Pellets		Pig Iron		All Other		Total	
	Figures as at the end of		Figures as at the end of		Figures as at the end of		Figures as at the end of	
	Current Reporting Period 31-03-2026	Previous Reporting Period3 31-03-2025	Current Reporting Period 4 31-03-2026	Previous Reporting Period3 31-03-2025	Current Reporting Period 31-03-2026	Previous Reporting Period 31-03-2025	Current Reporting Period 31-03-2026	Previous Reporting Period 31-03-2025
REVENUE:								
External Sales	3,721.52	48,369.86	55.18	5.46			3,776.70	48,375.32
Manufacturing and Other Allied Services					57,046.63	10505.38	57,046.63	10,505.38
Exploration Services					295.48	164.93	295.48	164.93
Other operating revenue	-		-		227.60	6.84	227.60	6.84
Total revenue	**3,721.52**	**48,369.86**	**55.18**	**5.46**	**57274.23**	**10,677.15**	**61,346.41**	**59,052.47**
RESULT:								
Segment result before interest	(2892.07)	-15,666.58	(1094.32)	-2,235.70	1,028.16	-5,404.38	-2,958.23	-23,306.66
Less : Finance cost	(1450.60)	-1,458.51	(0.41)	-1.68	(4.27)	-65.13	(1,455.28)	-1,525.32
Segment result before exception	(4342.67)	-17,125.09	(1094.73)	-2,237.38	1,023.89	-5,469.51	-4,413.51	-24,831.98
Unallocated Income less expenses								
a) Interest income on financial assets measured at amortized cost							5,428.40	4,255.42
b) Net gain on financial assets designated at fair value through profit or loss							173.96	69.89
Profit before tax							**1,188.85**	**-20,506.67**
Less: Income tax								
Current tax							-	-
Deferred tax							-467.69	-48.40
Net profit after tax							**1,656.54**	**-20,458.27**
Other comprehensive income							815.87	-241.71
Total comprehensive income							**2,472.41**	**-20,699.98**
Other information :								

Notes to the Financial Statements

₹ in Lakhs

Particulars	Pellets		Pig Iron		All Other		Total	
	Figures as at the end of		Figures as at the end of		Figures as at the end of		Figures as at the end of	
	Current Reporting Period 31-03-2026	Previous Reporting Period3 31-03-2025	Current Reporting Period 4 31-03-2026	Previous Reporting Period3 31-03-2025	Current Reporting Period 31-03-2026	Previous Reporting Period 31-03-2025	Current Reporting Period 31-03-2026	Previous Reporting Period 31-03-2025
Segment assets	51,278.52	59,666.77	21,934.27	20,604.51	1,61,117.30	1,61,117.30	2,34,330.09	2,41,388.58
Segment liabilities	42,980.68	46,611.54	4,555.00	3,305.99	13,171.64	13,171.64	60,707.32	63,089.17
Capital expenditure	1,001.44	561.04	9.60	1.23	-	10.03	1,011.04	572.30
Depreciation and amortisation	2,772.58	2,765.87	661.07	763.40	484.18	421.31	3,917.83	3,950.58
Non-cash expenses other than depreciation	1,450.60	1,458.51	0.41	1.68	4.21	5.93	1,455.22	1,466.12

1. The Company is domiciled in India. Segment revenue by location of customer is shown in the table below:-

Particulars	2025-26	2024-25
External Sales		
Domestic	61,346.41	44,029.65
Overseas	0.00	15,022.82
Total	**61,346.41**	**59,052.47**

2. Revenue of ₹ 57,046.63 Lakhs are derived from external customer, attributed to All Other segment under Manufacturing and Other Allied Services who are contributing more than 10% of the Total Revenue (Previous Year ₹ 20,856.71 Lakhs from Pellet and All Other segment under Manufacturing and Other Allied Services segments from few external customers).

3. There are no transaction between reportable segments.

4 The total of non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets are located in India.

28.2.3 Disclosure – Revenue (Ind AS 115)

(a) Disaggregate Revenue

(₹ in Lakhs)

Segment	Year ended 31st March 2026	Year ended 31st March 2025
Types of goods or services		
Sale of Goods		
- Iron Ore oxide Pellet	3,721.52	48,369.86
- Auxiliary	55.18	5.46
Sale of Services		
- Manufacturing & Other Allied Services	57,046.63	10,505.38
- Sale of Service	295.48	164.93
- Other Operating Revenue	277.60	6.84
Total Revenue from Contracts with Customers	**61,346.41**	**59,052.47**
Domestic/ International Revenue		
India	61,346.41	44,029.65
Outside India	-	15,022.82
Total Revenue from Contracts with Customers	**61,346.41**	**59,052.47**
Timing of Revenue Recognition		
Goods delivered (at a point in time)	3,776.70	48,375.32
Services rendered (over time)	55,352.58	10,292.90
Services rendered (at a point in time) for Sales and Marketing revenue from NMDC	2217.13	384.25
Total Revenue from Contracts with Customers	**61,346.41**	**59,052.47**

Notes to the Financial Statements

(b) Contract balances

(₹ in Lakhs)

	As at 31st March 2026	As at 31st March 2025
Trade Receivables	3539.39	2281.08
Contract Assets	2481.07	1349.86
Contract Liabilities	1,651.36	1,602.21

(c) Movement of Contract balance :

(₹ in Lakhs)

Sr. No.	Particulars	Amount
1	Contract Assets	
	Balance at the beginning of the year	1,349.86
	Amount reclassified to receivables on completion of milestones	-
	Increase due to revenue recognized/adjustment during the year	1,131.21
	Balance at the end of the year	**2,481.07**
2	Contract Liabilities	
	Balance at the beginning of the year	1602.21
	Revenue recognized/adjustment from opening balance of contract liabilities	
	Increase due to invoicing/adjustment during the year	49.15
	Balance at the end of the year	**1651.36**

28.2.4 Related Party Disclosure (Ind AS 24)

Key Management Personnel as on 31st March, 2026:

1	Shri Ganti Venkat Kiran	:	Chairman-cum-Managing Director Director (Production & Projects) (Addl. Charge) Director (Finance) (Addl. Charge)
2	Shri Binay Krushna Mahapatra	:	Director (Commercial)
3	Shri R.K. Mishra	:	Chief Financial Officer
4	Shri Clafton Siddharth	:	Company Secretary

As per the requirement of Ind AS 24 total compensations paid to Key managerial personnel for the year 2025-26 and amount payable as at 31st March 2026 are as follows:

(₹ in Lakhs)

S. No	Particulars	Shri G.V. Kiran	Shri Binay Krushna Mahapatra	Shri R.K. Mishra	Shri Clafton Siddharth	Shri Balkrishna Nair K V
1	Short term employee benefits	49.58	62.83	45.72	11.21	0.49
2	Post-employment benefits	-	-	-	-	
3	Other long-term benefits	-	-	-	-	
	Total*	**49.58**	**62.83**	**45.72**	**11.21**	**0.49**
	Amount Payable	-	-	-	-	-

Notes to the Financial Statements

The total compensation paid to Key managerial personnel for the previous year 2024-25 and amount payable as at 31st March, 2025 are as follows:

₹ in Lakhs

S. No	Particulars	Shri G.V. Kiran	Shri Binay Krushna Mahapatra	Shri R.K. Mishra	Shri Balkrishna Nair K V
1	Short term employee benefits	46.69	60.48	6.30	10.24
2	Post-employment benefits	-	-	-	-
3	Other long-term benefits	-	-	-	-
	Total*	**46.69**	**60.48**	**6.30**	**10.24**
	Amount Payable	**3.69**	**4.71**	**4.09**	**1.11**

₹ in Lakhs

S. No	Particulars	Shri T. Saminathan	Shri Saumen Das Gupta	Shri P K Mishra
4	Short term employee benefits	9.71	32.97	6.41
5	Post-employment benefits	20.00	13.35	12.77
6	Other long-term benefits	19.93	18.24	5.90
	Total*	**49.64**	**64.56**	**25.08**
	Amount Payable	**-**	**-**	**-**

* Does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for all the employees together.

Independent and Nominee Directors as on 31st March, 2026:

1	Gopalkrishnan Ganesan	:	Govt Nominee Director (Director-MoS)

Detail of sitting fees paid to Independent Directors:

₹ in Lakhs

Name of Independent Director	For the year 2025-26	For the year 2024-25
Shri Changdev Sukhadev Kamble	2.30	2.42
Dr. Usha Narayan	-	2.42
Total#	**2.30**	**4.84**

The amount paid towards sitting fees is included in the "Other Expenses" under Note No. 24.

The name of employment/ post-employment benefit trust with details of contributions made and balance at the year-end:

(₹ in Lakhs)

Name of related party	Contribution	For the year 2025-26	For the year 2024-25
KIOC EPF Trust	PF contributions	2,347.39	2,555.11
Post retirement medical trust	Medical contribution	Nil	579.26

Notes to the Financial Statements

Balance outstanding as on 31st March 2026 for KIOC EPF trust was ₹ 262.47 Lakhs (Previous year ₹ 271.43 Lakhs), Medical trust outstanding as on 31st March 2026 was ₹ 527.85 Lakhs (Previous year 579.26 Lakhs) and for other trusts there was no balance outstanding in the current year and previous year.

The name of the government related entities and the nature of its relationship.

Sl. no	Name	Relation
1.	NMDC Limited	Entity under the control of same Government
2.	IOCL Ltd	Entity under the control of same Government
3	Shipping Corporation of India Limited	Entity under the control of same Government
4	MRPL	Entity under the control of same Government
5	MSTC Ltd	Entity under the control of same Government
6	MECON Ltd	Entity under the control of same Government
7	New Mangalore Port Trust	Government related entity
8	Indian Railways (ECR & SWR)	Government Department

The nature and amount of each individually significant transactions with above government related entities:

(₹ in Lakhs)

Name of related party	Nature of transaction	Year ended 31st March 2026	Year ended 31st March 2025
NMDC Limited	(a) Purchase of Raw Material (IOF)	3,910.15	7,170.43
	(b) Service extended for handling logistic with reimbursement of exp.	34,822.16	5,783.67
	(c) Pellet manufacturing and other allied services	57,099.41	10,416.95
	(d) Deployment of Manpower	1,908.36	-
IOCL Ltd	(a) Purchase of Furnace Oil	16,221.48	6,267.48
	(b) Sub lease rent-Furnace oil tank & O& M Service	195.38	228.13
Shipping Corporation of India Limited	Transportation of Raw Material through Sea	11,670.37	2,454.27
New Mangalore Port Trust	(a) Port Services	3,529.60	876.50
	(b) Land taken on Lease	1,714.37	1,691.38
MSTC Ltd	Service Charges	-	66.27
MECON Ltd	Consultancy Services - Projects	9.99	33.70
Indian Railways (ECR & SWR)	Transportation of Raw Material through Rail	852.24	1,573.79

Notes to the Financial Statements

28.2.5 Leases (Ind AS 116)

As Lessee

The Company's significant leasing arrangements are in respect of operating leases for land and buildings. These arrangements generally range between 3 years and 30 years, except for certain land leases where the lease term ranges up to 99 years. In case of land taken on lease from New Mangalore port trust, termination option is exercisable only by the lessor. Hence, the management has considered the full term of the contract as the lease term, since the Company is liable to pay the lease rental as they do not have the right to terminate the contract.

The Company holds nine tracts of Land totaling 386,691 Sq. Mtrs. on long term lease from New Mangalore Port Trust (MNPT). Lease of the following two tracts of land, pending for registration of lease deeds, are considered as "Lease continuing" in view of company's request for extension of lease with NMPT and the same being under their consideration and continuing in paying annual lease rent and the same is duly acknowledged and accepted by NMPT:

a) 9,120 Sq Mtrs of land taken for storage of iron ore fines

b) 27,008 Sq Mtrs of land taken for pellet storage yard and

There are no sale and lease back transactions.

The impact of lease accounting on the financials for the year is as follows: -

₹ in Lakhs

Particulars	As at 31st March, 2026	As at 31st March, 2025
Expenses on account of Depreciation	923.22	927.37
Interest on Lease Liabilities	1,455.22	1,466.12
Accrual lease rent for the year	(1,589.37)	(1,558.16)
Total	**789.07**	**835.33**

Ind AS 116 has resulted into an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The weighted average incremental borrowing rate applied lease liabilities towards land and building is 8.20% and 8.45% respectively.

The break-up of current and non-current lease liabilities is as follows:

₹ in Lakhs

Particulars	As at 31st March, 2026	As at 31st March, 2025
Current lease liabilities	1,736.90	1,598.67
Non- current lease liabilities	17,450.34	17,732.00
Total	**19,187.24**	**19,330.67**

The movement in lease liabilities (LL) is as follows:

₹ in Lakhs

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Balance as at the beginning of the year	19,330.67	11,574.86
Additions*	-	7,857.06
Finance cost accrued during the period	1,455.22	1,466.12
Payment of lease liabilities	(1,598.65)	(1,567.38)
Balance as at the end of the year	**19,187.24**	**19,330.67**

*Note : The addition to lease liabilities include adjustment towards remeasurement against future lease payments is ₹ Nil (Previous year ₹ 7808.18 Lakhs) .

Notes to the Financial Statements

The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows:

₹ in Lakhs

Particulars	As at 31st March, 2026	As at 31st March, 2025
Less than One Year	1,736.90	1,598.67
One to five years	7,912.24	7,692.97
More than five years	32,922.86	34,310.36
Total	**42,572.00**	**43,602.00**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they become due.

Rental expenses recorded for short- term leases were ₹ 35.58 Lakhs for the year ended 31st March, 2026 (Previous year ₹ 63.77 Lakhs).

As lessor

Rental income on assets given on operating leases was ₹ 262.87 Lakhs for the year ended 31st March, 2026 (Previous year ₹ 230.74 Lakhs).

The Company has leased out its land under operating lease for periods ranging up to 7 years. Lease payments are structured with periodic escalations consistent with the prevailing market conditions. There are no variable lease payments to be received.

Maturity analysis of operating lease payments to be received:

₹ in Lakhs

Particulars	As at 31st March, 2026	As at 31st March, 2025
Year 1	285.18	177.50
Year 2	298.25	285.18
Year 3	288.86	298.25
Year 4	128.01	288.86
Year 5	8.41	128.01
Year 6 onwards	2.13	8.41
Total	**1,010.84**	**1,186.21**

28.3 Others:

28.3.1 With the suspension of mining operations at Kudremukh mine site, the Company is procuring the iron ore fines from NMDC mines in Chhattisgarh state and transporting to its plant at Mangalore by rail cum sea route and from open market.

Railways vide letter No. H/C.474 Classification/11 dated 21st October, 2011 raised an issue regarding the applicability of distance-based charge (DBC) over and above normal freight on Iron ore transported through railway network for manufacture of pellets and their subsequent export. Both South Western Railway (SWR) and East Coast Railway (ECR) have raised demand of ₹44,447.86 Lakhs and ₹ 10,361.38 Lakhs respectively towards distance-based charge (DBC) over and above normal freight on Iron ore transported.

As per the Company's view, DBC should attract only for iron ore fines and lumps which are directly exported and not on the Iron Ore so moved and utilized in the steel plants for manufacture of finished product and exported thereafter. The same is also not applicable to Pig iron and Sponge Iron Industry.

Both KIOCL and SWR have reconcile DBC payable amount for 14,463.93 Lakhs and signed the minutes of meeting. KIOCL had filed writ petition before the Hon'ble High Court of Karnataka. The writ petition was dismissed and KIOCL filed writ appeal challenging the dismissal of the writ petition. The Hon'ble High Court has granted interim order staying DBC, subject to the condition that 50% of the demand excluding penalty is to be deposited. Thus, ₹ 8,325.16 Lakhs was paid (against ₹7,231.97 Lakhs I.e. 50% of 14,463.93 Lakhs) and for the balance amount of ₹6,138.77 Lakhs (₹14,463.93 Lakhs – ₹8,325.16 Lakhs) provision has been made in the books in the FY 2013-14.

Similarly, against the demand of ₹ 10,361.38 Lakhs for DBC and ₹ 31,084.14 Lakhs towards penalty, of ECR which after considering the freight already paid, DBC worked out to be ₹ 6,740.94 Lakhs. KIOCL has filed WRIT petition before High Court of Orissa and High Court granted stay subject to

Notes to the Financial Statements

deposit of 50% amount excluding the penalty. The Company has paid ₹ 5,188.86 Lakhs, adjusted the paid amount against admitted liability of ₹ 6,740.94 Lakhs and the balance amount of ₹1,552.08 Lakhs provision has been made in the books FY 2013-14. As amount paid to ECR is more than the amount to be deposited based on order of High Court of Orissa, no separate entry has been made for deposit against disputed amount and undisputed amount in the book of accounts. The balance demand toward DBC and penalty of ₹ 34,704.58 Lakhs has been included in contingent liabilities.

Both the cases are not listed so far. Railway has filed transfer petition before Hon'ble Supreme Court and both the cases are stayed by Supreme Court. The transfer petition is still pending before the Hon'ble Supreme Court.

28.3.2. During the FY 2008-09, the Company has claimed refund of congestion surcharge amounting to ₹6,877.86 Lakh from South Western Railway (SWR) in respect of 573 rakes moved during 1st April, 2007 to 21st May, 2008 through the Company's private Railway Siding at Panambur, Mangalore which was commissioned in January 2006. SWR refunded only ₹2,725.39 Lakh till FY 2013-14 which includes ₹206.70 Lakh adjusted by SWR towards DBC. During the FY 2014-15, the Company had approached Railway Claims Tribunal (RCT), Bangalore for refund of the balance amount of ₹4,152.70 Lakh with interest. The Tribunal allowed the claim by its order dated 7th December, 2018 and directed SWR to compute and pay the amount together with interest at 6% per annum and in case SWR fails to comply with the order, interest at 9% per annum is payable from 1st April, 2019. SWR has filed appeal against the order of Tribunal in Hon'ble High Court of Karnataka on 11th April, 2019 vide case no MFA/3165/2019. KIOCL filed cross objection in the appeal and the case is still pending. Company has filed execution case before RCT Bangalore for realization of the ordered amount and the same is also pending.

The Konkan Railway offered concessional freight to the Company for movement of rakes through Konkan route instead of shorter route i.e., Hassan-Mangaluru, which has been accepted by the Company and 110 rakes were booked for the Konkan route. Subsequently, Konkan Railway allowed concessional freight for 92 rakes only and balance 18 rakes were moved through shorter routes i.e., Hassan-Mangaluru. Hence, during the FY 2008-09 the Company claimed refund of ₹ 254.45 Lakhs from SWR towards differential freight. However, SWR has not refunded the amount. Hence, during the FY 2014-15 the Company approached RCT, Bengaluru and has claimed ₹ 254.45 Lakhs with interest. The Tribunal dismissed the claim and the Company filed appeal before Hon'ble High Court of Karnataka during the FY 2018-19 and the same is pending.

The Company has not recognized income for above two cases (SWR, Konkan Railway) in line with the Company's significant accounting policy No.1.4, pending realization.

East Coast Railway have collected 100% congestion surcharge instead of 30% for the rakes moved during the period from 15th April, 2008 to 21st May, 2008. During the FY 2008-09, the Company requested ECR for refunding ₹436.83 Lakhs being 70% excess congestion surcharge collected in respect of 26 rakes. As ECR failed to refund the amount, the Company has filed a petition before the RCT, Bhubaneswar during the FY 2014-15 for refund of ₹436.83 Lakhs with interest. The Tribunal dismissed the claim and the Company filed appeal before Hon'ble High Court of Odisha during the FY 2018-19. The High Court of Odisha has passed order on 17th August 2023 and allowed the appeal filed by KIOCL in part. The High court directed Union of India to refund 70% of the congestion charges received from KIOCL for the period from 24th April 2008 to 30th April 2008(7 rakes) within period of four months. Accordingly, KIOCL has sent letter dated 09th January 2024 and 26th March 2024 requesting ECR to pay the ordered amount which is computed for ₹ 121.00 Lakhs. The Company has filed execution case before RCT Bhubaneswar in July 2024 for the realization of ordered amount and the same is being realized during the year and recognized as income under note no. 18.2 "Other Income" (Previous year Nil) in line with the Company's significant accounting policy No.1.4.

28.3.3. In pursuance of the directives of the Hon'ble Supreme Court, mining activities at Kudremukh were stopped with effect from 01st January 2006. Indian Bureau of Mines (IBM) has approved Final Mine Closure Plan (FMCP) of Kudremukh Iron Ore Mine and the same was communicated vide letter no. MS/CMG/Fe-38-52 dated 06th May, 2005. At the time of closure of the mine, the Company filed a petition with prayers for direction, inter-alia, to permit utilization of 54.01 hectares of land required for the purpose of safety and slope stability of the mine.

The Hon'ble Supreme Court, in its judgment (December 2006), directed IIT Delhi to issue global tender for, inter-alia, re-analyzing the stability of slopes, drawing up of mine closure plan, implementation of the above plan and drawing up of detailed terms for the work to be done, consistent with basic paradigm of "no or minimal disturbance to un-broken area".

The expenditure for this purpose was to be met out of ₹1,900/- Lakhs paid by the Company before closure of mining i.e. 31st December, 2005, which is presently lying with the Compensatory Afforestation Fund Management and Planning Authority (CAMPA).

The Hon'ble Supreme Court has also directed that if any funds are required in excess of ₹1,900/- Lakhs, the agency

Notes to the Financial Statements

or the Designated Officer shall move to the Court for necessary direction.

Ministry of Mines Government of India, vide letter dated 07th February, 2014, nominated the Regional Controller of Mines, IBM Bangalore as the 'Designated Officer' to take possession of Kudremukh Iron Ore Mine. Accordingly, the Company has handed over the possession of the Kudremukh Iron Ore Mines on 03rd April, 2014 to the Regional Controller of Mines, IBM Bangalore.

Subsequently, officials of IBM Bangalore and IIT, Delhi inspected the mine site on 20th May, 2014, in which IIT Delhi opined that, keeping in view of the environment and safety concerns, the residual task of mine closure is relatively minor as compared to what was originally envisaged. Hence, the amount of ₹1,900/- Lakhs paid by the company to Central Empowered Committee (CEC) already lying with the CAMPA would be utilized for environmental restoration at Kudremukh Iron Ore Mine. In addition to above, the Company has also made provision to the extent of ₹ 600/- Lakhs during the FY 2003-04 to 2005-06.

28.3.4. Total Mining Lease areas of 4,605.02 hectares of land at Kudremukh included an extent of 1,220.03 hectares of government revenue land, apart from forest land as well as the Company's free hold land. The Designated Officer has taken over the entire Mining Lease area on 03rd April, 2014 for carrying out the mine closure activities in compliance with Hon'ble Supreme Court orders dated 15th December, 2006. However, the infrastructure and buildings located on revenue land and other lands being the property of the Company shall continue to remain in their physical possession till the cessation of mine closure activities. Till the year 2013-14, the land records of revenue land were in the name of the Company. Meanwhile Government of Karnataka has changed the revenue records removing the Company's name. Hence the Company was constrained to file a suit before Hon'ble Civil Judge Court, Mudigere for an injunction against Government and others, restraining them from dispossessing the Company from the said revenue land. The Hon'ble Court heard the arguments and passed an interim order on 05th November, 2013 restraining the defendants or anybody under them from dispossessing the Company from the Schedule Property (i.e. revenue land) in any manner till the disposal of the suit or till the modalities have been worked out and implemented as directed by the Hon'ble Supreme Court. The suit was dismissed on 20th November, 2017.

In consideration of taking over of the entire Mining Lease area of 4,605.02 hectares comprising forest land, revenue land, Company's own land and other lands by the Designated Officer for carrying out the mine closure activities in compliance with the Hon'ble Court's direction, the Company depreciated all its township assets in full during the year 2014-15 as a prudent measure excluding freehold land of 114.31 hectares with books value ₹ 29.06 Lakhs.

28.3.5. Govt. of Karnataka vide Gazette Notification dated 23.01.2017 reserved an area of 470.40 ha in Devadari Range in Bellary District for iron ore and manganese ore mining in favour of KIOCL under the provisions of Section 17A (2) of MMDR Act, 1957.

The Company has paid a total amount of ₹ 19,463.83 lakhs including current year ₹ 28.56 lakhs towards NPV, CA charges, and differential CA charges to the Karnataka CAMPA fund as per the Stage-I FC conditions.

Subsequent to the obtaining Statutory Clearances, Company executed Mining Lease Deed of Devadari Iron Ore Mine (DIOM) with Director, Mines and Geology, Govt. of Karnataka on 02nd January, 2023 for 388 ha area for a period of 50 years for Iron Ore and Manganese Ore (ML No. 020 of 2023) mining. Company has registered the Mining Lease Deed of DIOM on 18th January 2023 at the Office of Sub-Registrar, Sandur Taluk, Ballari Dist and paid ₹ 32,917.90 lakh towards stamp duty, cess and registration charges.

Govt. of Karnataka issued Government Order (GO) on 11th April,2023 for diversion of 401.5761 ha of forest land for DIOM and issued official Gazette notification on 02nd May,2023 in this regard.

PIB, Ministry of Finance in consultation with Ministry of Steel has approved DIOM Project with an estimated CAPEX of ₹882.46 Crores (Phase I) including post facto approval of the pre-operative expenditure of ₹529.19 Crores, communicated vide Ministry of Steel letter dated 28th June, 2024. The expenditure of Phase– I of the Project is to be met through reserves of KIOCL Limited and balance through debt with a debt-to-equity ratio of 30:70.

As per Stage II Forest Clearance of DIOM and as mentioned in the GO dated 11th April 2023, issues regarding Kudremukh Mines needs to be regularized. Forest Dept insisted to comply the condition that " the User Agency must do the needful as per Hon'ble SC directions and follow the instructions and recommendation of the CEC and also take required approval in a time bound manner for the regularization of the violations in the Kudremukh Forest and National Park " before handing over of Forest land as against the conditions which needs to be complied after handing over of the forest land to KIOCL by Forest Department.

KIOCL pursued the matter with the Government of Karnataka and the Forest Department for execution of the Forest Lease Agreement (FLA) and handover of forest land for mining. Due to delays, company filed WP No. 34073/2024 on 12th

Notes to the Financial Statements

December, 2024 in Hon'ble High Court of Karnataka seeking directions to execute the FLA and hand over the diverted forest land for commencement of mining activities. Hon'ble Court after several court proceedings/hearings, on 10th September, 2025 ordered that handover the diverted forest land to the Company and also execute FLA with the Company.

The Company has executed the Forest lease agreement (FLA) with DCF, Ballari on 04th October,2025 for DIOM and incurred ₹ 1,490.00 lakh (Previous year Nil) towards registration charges, including stamp duty, for registration of the FLA at the Sub-Registrar Office, Sandur on 10th October, 2025.

Ministry of Environment, Forest and Climate Change (MoEF &CC), Govt. of India (GoI) granted an amendment to EC on 09th December, 2024, allowing iron ore transportation by road for two years (till 31th October, 2026), until the downhill conveyor system is installed, subject to additional conditions.

A comprehensive R&R Plan for DIOM was prepared by Indian Council of Forestry Research and Education (ICFRE) under MoEF&CC, GoI and submitted to the CEC. CEC, vide letter dated 14th August, 2025, approved the R&R Plan.

On the request of Company, the Govt of Karnataka extended the lease period by one year up to 01st January 2026 for recording production and dispatch from DIOM under the provisions of sub-section (4) of Section 4 (A) of MMDR Act, 1957. Later, the Ministry of Mines, GOI vide order dated 27th November, 2025 further extended the timeline up to 01st January, 2028 for commencement and recording of mineral production and dispatch from DIOM under Section 20A of the MMDR Act, 1957.

Capital expenditure incurred for development of Devadari Iron ore mines upto 31st March 2026 amounting to ₹54,549.55 Lakhs including NPV, CA, stamp duty, cess, registration charges and other incidental charges are classified as mining right under other intangible assets vide note No. 4 (Previous year ₹ 53,015.01 Lakhs).

The approved CAPEX of DIOM includes ₹1,087 lakhs towards Corporate Environment Responsibility (CER) as a part of EC compliance.

The activities and budget earmarked for CER is as per Ministry's O.M. No. 22-65/2017-IA.II (M) dated 01st May 2018 and the action plan on the activities proposed under CER are as under:

(₹ in Lakhs)

S1.	Details of Activities	Amount spent / proposed Approx
1	Creation of Health infrastructure & assistance	50.00
2	Creation of Education facilities	50.00
3	Environment sustainability	565.00
4	Infrastructure development	320.00
5	Hygiene and Health	50.00
6	Sustainable livelihood	25.00
7	Development of Sports facility & cultural activity	15.00
8	Skill Development	12.00
	Total	1,087.00

An amount of ₹118.93 lakhs has already been incurred towards infrastructure development under CER and balance amount ₹968.07 lakhs earmarked for environmental protection measures shall be kept in separate accounts upon start of mining activities which shall be utilized as per the plan.

The Company has not got the possession of the forest land and working permission from Govt. of Karnataka to commence the mining activities due to pending approval for use of the approach road to the DIOM Lease. The Company will commence mining at DIOM upon handover of diverted forest land and issue of working permission from Govt. of Karnataka and undertake exploration, mine development, construction of internal roads & waste dump access roads, bench development, Crushing & Screening units, weighbridge, and set up conveyor belt to railway siding for evacuation.

28.3.6. Since the closure of mining activities, consequent upon the judgment of Hon'ble Supreme Court w.e.f. 1st January, 2006, Mangalore Pellet Plant and also Blast Furnace Unit continue to draw the required water from Lakya Dam at Kudremukh. Hence, dam maintenance activity from the safety point of view and maintenance of water drawal system which include electrical and pipeline maintenance are still continuing. Therefore, Kudremukh installation is a working unit as on date as an integral part of Mangalore unit.

28.3.7. In order to utilize the Blast Furnace Unit, the company has made a project proposal for Backward and Forward Integration of the Unit involving capital expenditure of ₹836.90 Crore and the same has been approved by the Board in its 255th meeting held on 13th November 2018. The same has been approved by Public Investment Bureau (PIB). Environment clearance has been granted by MOEF&CC, GOI

Notes to the Financial Statements

on 27th February, 2020. M/s MECON has been appointed as EPCM contractor for the project.

The installation & commissioning of Coke oven under backward integration project has been entrusted to M/s Tuaman Engineering Limited, Kolkata as an EPC contractor on lumpsum turnkey basis with technology provided by M/s CIMFR, GoI, Dhanbad. The construction work for the Coke Oven is currently in progress and is expected to be commissioned by 31st December 2026, as per the EPCM consultant's assessment.

The contracts for the balance packages under backward & forward viz., Ductile Iron Spun Pipe plant, Co-Gen Power Plant, Upgradation of Blast furnace, Pulverized Coal Injection system, Oxygen plant and Nitrogen plant could not be concluded due to high cost and change in public procurement policy. Hence, further process of re-tendering is kept on hold.

Further, KIOCL floated tender to invite prospective agencies for setting up of 15 MW Power Plant by utilizing the Coke Oven gas on BOOT basis, one bidder is qualified and further process is under progress.

In parallel, the company is exploring a Joint Venture (JV) model for establishing value-added product facilities linked to the Blast Furnace Unit. M/s Pricewaterhouse Coopers (PwC) has been engaged as a consultant to conduct a market study and assist in identifying and selecting prospective JV partners. M/s PwC, along with officials from KIOCL, has conducted meetings with various potential JV partners. The detailed proposals from prospective JV partners are awaited for further evaluation.

During the year the Company has not incurred expenditure for excavation auxiliary material of Pig Iron at BFU (Previous year Nil. 520.82 MT of auxiliary material of Pig Iron worth ₹55.18 Lakhs were sold during the year (Previous year 72 MT worth ₹ 5.46 Lakhs) out of opening stock brought forward from previous year. As at the end of the year, Company was holding a physical stock of 1267.18 MT (Opening 1788 MT plus excavated Nil MT less 520.82 MT sold) of the same (Previous year 1788 MT). As the cost of production of the same had been accounted for in earlier years, the same is valued at nil cost as at the end of the year, although the market value of the same ₹134.25 Lakhs (Previous year ₹ 135.53 Lakhs) as per last sale price of similar product. As a prudent accounting measure, no value has been assigned to the stock in the Books of Accounts.

28.3.8. (a) Expenses incurred towards generation of power being a significant cost of production have been included under the primary heads of account.

(b) Expenses incurred towards Stores, Spares, Consumables and Additives being a significant cost of production have been included under the primary heads of account.

28.3.9. Financial Risk Management

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risk, credit risk and currency risk. The Company's senior management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The key financial risks and mitigating actions are also placed before the Risk Management Committee / Audit Committee of the Company. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits, to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Risk Management Committee of the Company is supported by the Finance team and experts of respective business divisions that provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The activities are designed to:

- Protect the Company's financial results and position from financial risks.
- Maintain market risks within acceptable parameters, while optimizing returns
- Protect the Company's financial investments, while maximizing returns.

The investment committee is responsible for maximizing the return on Company's internally generated funds.

I. Management of Liquidity Risk

Liquidity risk is the risk that the Company faces in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it has sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both

Notes to the Financial Statements

normal and stressed conditions. A material and sustained shortfall in our cash flow could undermine the Company's credit rating and impair investor confidence. The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date:

(₹ in Lakhs)

Particulars	Undiscounted Cash outflow		
	< 12 months	> 12 months	Total
As at 31st March, 2026			
Borrowings	-	-	-
Trade payables	2,2032.00	-	2,2032.00
Lease Liabilities	1,736.90	40,835.10	42,572.00
Other financial liabilities	6,170.90	12.87	6,183.77
As at 31st March, 2025			
Borrowings	-	-	-
Trade payables	20,001.86	-	20,001.86
Lease Liabilities	1,598.67	42,003.33	43,602.00
Other financial liabilities	5,398.54	18.08	5,416.62

II. Management of Market Risk

Market risks comprise of Price risk & Interest rate risk. The Company does not designate any fixed rate financial assets as fair value through Profit and Loss nor at fair value through OCI. Therefore, Company is not exposed to any interest rate risks. Similarly, the Company does not have any financial instrument which is exposed to change in price.

III. Management of Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers and other receivables. The Company applies prudent credit acceptance policies, performs ongoing credit portfolio monitoring as well as manages the collection of receivables in order to minimize the credit risk exposure.

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the notes to the Financial Statements. The Company's major classes of financial assets are cash and cash equivalents, term deposits and trade receivables. For banks and financial institutions, only high rated banks / institutions are accepted.

Trade Receivables

Concentrations of credit risk with respect to trade receivables are limited, since the Company's most of the sales are secured against Letter of Credit and/ or Bank Guarantee except public sector undertaking. Accordingly, based on expected credit loss (ECL) experience, the Company has grouped the trade receivable into secured and unsecured.

The Company has applied the simplified approach for calculating ECL for both secured and unsecured trade receivables. During the year, ECL assessed for secured and unsecured trade receivables are Nil and ₹ 557.77 Lakhs respectively (Previous year Nil and ₹ 420.52 Lakhs) and provision made in the books is included in Note no 9.1.

The carrying value of the financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk is ₹ 3,539.39 Lakhs and ₹ 2,281.08 Lakhs as at 31st March 2026 and 31st March 2025 respectively.

IV. Foreign Currency Risk

The Company being an EOU till 6th August,2025 is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar (USD), Euro (EUR), and Japanese Yen (JPY). Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The currency risk of the said underlying asset is managed by entering into foreign currency forward contracts (only on need basis).

There was no exposure to foreign currency risk as at the end of current year reporting and previous year period:

28.3.10 Capital Management

The Company considers the following components of its Balance Sheet to be managed capital:

Total equity as shown in the Balance Sheet includes Retained Earnings and Share Capital. The Company aim to manage its

Notes to the Financial Statements

capital efficiently so as to safeguard its ability to continue as a going concern and to optimize returns to our shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company considers the amount of capital in proportion to risk and manages the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company takes appropriate steps in order to maintain, or if necessary, adjust, its capital structure. Company is not subject to financial covenants in any of its significant financing agreements.

The management monitors the return on capital as well as the level of dividends to shareholders.

₹ in Lakhs

Particulars	As at 31st March, 2026	As at 31st March, 2025
Total equity attributable to the equity shareholders of the Company	1,73,622.77	1,71,150.36
As percentage of total capital	100.00%	100.00%
Non-current borrowings	-	-
Current borrowings	-	-
Total loans and borrowings	-	-
As a percentage of total capital	-	-
Total capital (loans and borrowings and equity)	1,73,622.77	1,71,150.36

28.3.11. Fair Value Measurements

(i) Financial instruments by category

Particulars	As on 31st March, 2026				
	Fair value through P&L	Fair value through other comprehensive income	Amortized Cost	Total carrying Value	Total fair value
Financial Asset					
Loans	-	-	378.80	378.80	378.80
Trade Receivables	-	-	3,539.39	3,539.39	3,539.39
Cash and cash equivalents	-	-	7,464.47	7,464.47	7,464.47
Other Financial Assets	-	-	81,795.58	81,795.58	81,795.58
Total Financial Assets	-	-	93,178.24	93,178.24	93,178.24
Financial Liabilities					
Borrowings	-	-	-	-	-
Trade Payables	-	-	22,032.00	22,032.00	22,032.00
Lease Liabilities	-	-	19,187.24	19,187.24	19,187.24
Other Financial Liabilities	-	-	6,183.77	6,183.77	6,183.77
Total Financial Liabilities	-	-	47,403.01	47,403.01	47,403.01

(₹ in Lakhs)

Particulars	As on 31st March, 2025				
	Fair value through profit & loss	Fair value through other comprehensive income	Amortized Cost	Total carrying Value	Total fair value
Financial Asset					
Loans	-	-	385.69	385.69	385.69
Trade Receivables	-	-	2,652.37	2,652.37	2,652.37

Notes to the Financial Statements

(₹ in Lakhs)

Particulars	As on 31st March, 2025				
	Fair value through profit & loss	Fair value through other comprehensive income	Amortized Cost	Total carrying Value	Total fair value
Cash and cash equivalents	-	-	21,930.60	21,930.60	21,930.60
Other Financial Assets	-	-	56,027.70	56,027.70	56,027.70
Total Financial Assets	**-**	**-**	**80,996.36**	**80,996.36**	**80,996.36**
Financial Liabilities					
Borrowings	-	-	-	-	-
Trade Payables	-	-	20,001.86	20,001.86	20,001.86
Lease Liabilities	-	-	19,330.67	19,330.67	19,330.67
Other Financial Liabilities	-	-	5,416.62	5,416.62	5,416.62
Total Financial Liabilities	**-**	**-**	**44,749.15**	**44,749.15**	**44,749.15**

(ii) Fair Value Hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis:

(₹ in Lakhs)

As at 31st March, 2026	Level - 1	Level - 2	Level - 3	Total
Financial assets at fair value through profit or loss				
Derivative financial assets	-	-	-	-
Total	-	-	-	-

(₹ in Lakhs)

As at 31st March, 2025	Level - 1	Level - 2	Level - 3	Total
Financial assets at fair value through profit or loss				
Derivative financial assets	-	-	-	-
Total	-	-	-	-

There have been no transfers among Level 1, Level 2 and Level 3 during the period.

Valuation Process

Forward contracts - Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

Trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, current borrowings, trade payables and other current financial liabilities: fair values approximate their carrying amounts largely due to the short-term maturities of these instruments.

For all other financial instruments, the carrying amount is either the fair value, or approximates the fair value.

Notes to the Financial Statements

28.3.12 Derivative financial instruments

The Company uses derivative instruments as part of its management of exposure to fluctuations in foreign currency exchange rates. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. The derivative transactions are normally in the form of forward contracts, and these are subject to the Company guidelines and policies. These derivative instruments are not designated as hedges.

The fair values of all derivatives are separately recorded in the balance sheet within current and non-current assets and liabilities.

The use of derivatives can give rise to credit and market risk. The Company tries to control credit risk as far as possible by only entering into contracts with reputable banks and financial institutions. The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board.

The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

There were no outstanding derivative financial assets and derivative financial liabilities as on 31st March 2026 and 31st March 2025.

28.3.13. The unclaimed dividend amount and underlying shares have been credited / transferred to the IEPF Authority during the 2025-26 & FY's 2024-25 and there is no amount due and outstanding to be credited to the Investor Education and Protection Fund as at 31st March, 2026 and 31st March, 2025.

28.3.14. The Company has made the following arrangement with the Banks for availing both Fund based and non-fund-based limits from time to time.

Non-fund based (as on 31st March, 2026)

(₹ in Lakhs)

S. No	Name of the Bank	Non-Fund Based	Limit	Outstanding
1	Indusind Bank	LC/BG	7,500.00	798.00
			(20,000.00)	(3,517.50)
2	ICICI Bank	LC/BG	1,5000.00	5,535.00
			(20,000.00)	(3391.32)
	Total		22,5000.00	6,333.00
			(40,000.00)	(6,908.82)

Note: Previous year figures are in bracket.

The total ₹ 6,333 Lakhs (Previous year ₹ 6908.82 Lakhs) consists of ₹ 156 Lakhs (Previous year ₹ 131.47 Lakhs) and ₹ 6,177 Lakhs (Previous year ₹, 6,777.35 Lakhs) towards LC and BG respectively.

LC: Letter of Credit, BG: Bank Guarantee, BC: Buyers Credit.

Fund based (as on 31st March, 2026)

(₹ in Lakhs)

S. No	Name of the Bank	Fund Based	Limit	Outstanding
1.	State Bank of India	Secured Overdraft Limit -against deposit	3,460.00	Nil
			(11,655.00)	(Nil)

Note: 1. Previous year figures are in bracket.

2. The Company utilize the secured overdraft limit (with lien on fixed deposits) during the year to meet its short-term working capital requirements.

Notes to the Financial Statements

28.3.15. The Company has entered into contract with M/s NMDC for extending pellet manufacturing services (Job Work) on 29th November, 2024. The pellet plant. Total production made during the year 2.695 million ton of pellet including 2.673 million ton under job work of M/s NMDC. The revenue from job work has been shown under the head Manufacturing and other allied services at Note No. 18.1.

28.3.16 The Company is a merchant producer of iron oxide pellets and has been operating under 100% Export Oriented Unit (EOU) status since inception. During the year 2024-25, the Company undertook job work under a conversion agreement with NMDC, under an annual permission valid up to 9 December 2025, granted by the Customs Department vide clause 6.13(b) of the Foreign Trade Policy (FTP) 2023. Under this permission, iron oxide pellets produced by the Company under job work are required to be exported out of India, and NMDC is not permitted to sell such pellets in the Domestic Tariff Area (DTA) market.

In order to facilitate DTA sale of iron oxide pellets produced under job work, the Company has exited its EOU status with effect from 07.08.2025. Payments amounting to ₹ 236.48 lakh, ₹ 552.86 lakh, and ₹0.95 lakh have been made towards customs duty (BCD and cess), IGST, and interest, respectively, on the depreciated value of capital goods for exiting the EOU scheme. The duty and interest paid have been expensed under Note No. 24, "Other Expenses", sub-head "Rates and Taxes", while the IGST paid is eligible for and has been availed as input tax credit.

Further, the Company has submitted a bank guarantee equivalent to 10% of the disputed duties amounting to ₹370.00 lakh to the Commissioner of Customs, Mangalore, to obtain the No Due Certificate, which is a prerequisite document for completing the final exit process from the EOU scheme.

28.3.17. The Company has not declared any Interim Dividend for the current year and immediate previous year

Proposed Dividend:

The Company has approached DIPAM, Ministry of Finance through Ministry of Steel for seeking exemption from 'Payment of Dividend' for the Financial Year 2025-26 which has been accepted by Ministry of Finance and granted exemption to the Company for payment of dividend for FY 2025-26.

28.3.18. Other disclosures:

i) No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

ii) The company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

iii) The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

iv) The Company is not required to file quarterly returns or statements with the banks as the overdraft facility is drawn against deposit with banks.

v) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

vi) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

vii) The Company has not advanced or loan or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

viii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

Notes to the Financial Statements

ix) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act,1961, that has not been recorded in the books of account.

x) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

xi) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

28.3.19 The Company is not able to constitute as Audit Committee in the absence of Independent Directors. As the Company is a government entity, the appointment and reappointment of Directors fall under the purview of Government of India, which is in process.

Consequently, in the absence of duly constituted Audit Committee, the financial statement was placed directly before the Board without the recommendation of Audit Committee.

28.3.20 Figures for the previous year have been regrouped/reclassified to conform to the figures of the current year

For and on behalf of Board of Directors

G. V. KIRAN
Chairman-cum-Managing Director
(DIN 07605925)

B. K. Mahapatra
Director (Commercial)
(DIN 09613777)

as per our report of even date
for M/s G Balu Associates LLP
Chartered Accountants
(FRN: 000376S/S200073)

Ram Krishna Mishra
(Chief Financial Officer)
(PAN AAVPM8846M)

Clafton Siddharth
Company Secretary
(Membership No A65506)

CA. R.Ravishankar
Partner
MRN: 026819

Place : Bengaluru
Date : 27th May 2026

KIOCL LIMITED

(A Government of India Enterprise)
(CIN: L13100KA1976GOI002974)
Regd. Office: II Block, Koramangala, Bengaluru – 560034
Tele/Fax: 080-25531525, Website: www.kioclltd.in, E-mail: cs@kioclltd.in

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FORTY-NINETH ANNUAL GENERAL MEETING ("AGM") OF THE MEMBERS OF KIOCL LIMITED (CIN: L13100KA1976GOI002974) will be held on Tuesday, the 29th day of September, 2026 at 11:00 AM through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business(es):

ORDINARY BUSINESS:

1. **To receive, consider and adopt the Audited Balance Sheet as at March 31, 2026 and the Profit and Loss Account for the Financial Year ended on March 31, 2026 together with the Reports of the Board of Directors and the Auditors thereon and Comments of the Comptroller and Auditor General** of India:-

   "RESOLVED THAT the Audited Standalone Financial Statements of the Company for the financial year ended 31st March 2026 together with the reports of the Board of Directors, Statutory Auditors and Comptroller and Auditor General of India thereon as circulated to the Members, be and are hereby considered and adopted."

2. **To appoint a director in place of Shri. Ganti Venkat Kiran (DIN: 09613777), who retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-appointment.**

   "RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Shri Ganti Venkat Kiran (DIN: 09613777), who retires by rotation at this meeting and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

3. **To appoint a director in place of Shri. Gopalakrishnan Ganesan (DIN: 11163002), who retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-appointment.**

   "RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Shri. Gopalakrishnan Ganesan (DIN: 11163002), who retires by rotation at this meeting and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

4. To pass with or without modification(s) the following Resolution as an Ordinary Resolution for fixing the remuneration of Statutory Auditors: -

   "RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, the Board of Directors, be and are hereby authorized for fixation of Annual Statutory Audit Fee payable to the Statutory Auditors for the Financial Year 2026-27."

SPECIAL BUSINESS

5. Appointment of Shri. Subhash Chandra Saraf (DIN: 00268769) as an Independent Director,

   To consider and, if thought fit, to pass, with or without modification, the following Resolution as a Special Resolution:

   "RESOLVED THAT pursuant to Order No. 1/1/2026-BLA-BLA dated 14.07.2026 issued by the Ministry of Steel, Government of India, and pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV thereto and the Companies (Appointment and Qualification of Directors) Rules, 2014, and Regulations 17, 25 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), and upon the recommendation of the Board of Directors, Shri Subhash Chandra Saraf (DIN: 00268769), who has submitted a declaration that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 be and is hereby appointed to hold office as an Independent Director of the Company, not liable to retire by rotation, for a term of three years with effect from 14.07.2026 or until further orders of the Government of India, whichever is earlier."

   RESOLVED FURTHER THAT Chairman-cum-Managing Director and the Company Secretary of the Company, be and are hereby severally authorized to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution."

6. Appointment of Shri. Avtar Singh (DIN: 09431283) as an Independent Director,

To consider and, if thought fit, to pass, with or without modification, the following Resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to Order No. 1/1/2026-BLA-BLA dated 14.07.2026 issued by the Ministry of Steel, Government of India, and pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV thereto and the Companies (Appointment and Qualification of Directors) Rules, 2014, and Regulations 17, 25 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), and upon the recommendation of the Board of Directors, Shri. Avtar Singh (DIN: 09431283), who has submitted a declaration that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 be and is hereby appointed to hold office as an Independent Director of the Company, not liable to retire by rotation, for a term of three years with effect from 14.07.2026 or until further orders of the Government of India, whichever is earlier."

RESOLVED FURTHER THAT Chairman-cum-Managing Director and the Company Secretary of the Company, be and are hereby severally authorized to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution."

7. Appointment of Shri. Rakesh Modi (DIN: 11846519) as an Independent Director,

To consider and, if thought fit, to pass, with or without modification, the following Resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to Order No. 1/1/2026-BLA-BLA dated 14.07.2026 issued by the Ministry of Steel, Government of India, and pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV thereto and the Companies (Appointment and Qualification of Directors) Rules, 2014, and Regulations 17, 25 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), and based on the recommendation of the Board of Directors, Shri. Rakesh Modi (DIN: 11846519), who has submitted a declaration confirming that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of three years with effect from 14.07.2026 or until further orders of the Government of India, whichever is earlier."

RESOLVED FURTHER THAT Chairman-cum-Managing Director and the Company Secretary of the Company, be and are hereby severally authorized to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution."

8. Ratification of Remuneration of the Cost Auditor

To consider and if thought fit, to pass, with or without modification (s), the following Resolution(s) as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s Dhananjay V Joshi & Associates., Cost Accountants, be and is hereby appointed as cost auditor to conduct the audit of the cost records of Pellet Plant Unit of Company for the financial year 2026-27, at a remuneration of ₹ 55,000/- (Rupees Fifty Five Thousand only) plus taxes as applicable and reimbursement of actual travel and other out of pocket expenses including actual expenses incurred during official tours to Bengaluru and outside Bengaluru (to be reimbursed upon submission of valid supporting bills), appointed by the Board of Directors, on the recommendation of the Audit Committee, to conduct the audit of the cost records of the Pellet Plant Unit of the Company for the financial year 2026-27, be and is hereby ratified and confirmed;

RESOLVED FURTHER THAT Chairman-cum-Managing Director, Director (Finance) and Company Secretary be and are hereby severally authorized, to settle any question, difficulty, or doubt, that may arise in giving effect to this Resolution and to do all such acts, deeds and things as may be necessary, proper, or expedient to give effect to this Resolution."

By Order of the Board of Directors
KIOCL Limited,

Sd/-
(Clafton Siddharth)
Company Secretary
(ACS 65506)

Place: Bangalore
Dated: 13/08/2026

NOTES:

1. The Ministry of Corporate Affairs ("MCA") vide its circular no 9/2024 dated 19th September, 2024 read with read with SEBI Master Circular dated SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 03, 2024, permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and aforesaid MCA and SEBI Circulars, the AGM of the Company is being held through VC / OAVM.

2. The relevant details, pursuant to Regulations 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment / re-appointment at this AGM is annexed.

3. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting ("AGM") is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. However, since this AGM is being held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") in accordance with the MCA General Circular No. 03/2025 dated 22nd September, 2025, read with General Circular No. 20/2020 dated 5th May, 2020, and the SEBI Master Circular for compliance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 dated 30th January, 2026, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members under Section 105 of the Companies Act, 2013 is not available for this AGM and, therefore, the Proxy Form and Attendance Slip are not annexed to this Notice.

4. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

5. The Company has appointed FCS J K Das from M/s J.K. Das & Associates, Practising Company Secretaries as the Scrutinizer for conducting the remote e-voting and e-voting at the AGM in a fair and transparent manner.

   Institutional / Corporate Shareholders are required to send a scanned copy of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to jkdasassociates@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com (CDSL).

6. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Registrar and Share Transfer Agent of the Company, in case the shares are held by them in physical form.

7. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019. Further, transmission or transposition of securities held in physical or dematerialised form shall be made only in dematerialized form with effect from January 24, 2022. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, M/s. Integrated Registry Management Services Private Limited for assistance.

8. SEBI vide its circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 and SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 and SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023, has mandated to furnish PAN, KYC details and Nomination of physical shareholders to the RTA of the Company. In this regard, Company through its RTA sent letter along with requisite forms to all the physical shareholders. Further, all the requisite forms i.e., ISR-1, ISR-2, ISR-3, SH-13 and SH-14 for registering PAN, KYC details or changes and/or updations, Confirmation of Signature by Bank, Declaration for opting-out of Nomination, Request for registering Nomination and Request for cancellation or Variation in Nomination respectively are hosted on the website of the Company at https://kioclltd.in/data.php?id=68&lang=EN.

   Members are requested to register such details or intimate changes, if any, to their Depository Participant(s) (DP) in case the shares are held in electronic form and to Registrar and Share Transfer Agent of the Company in case the shares are held in physical form in the prescribed formats.

   Further, SEBI vide its circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated the issuance of securities in dematerialised form only in case of requests received for Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Renewal / Exchange of securities certificate, Endorsement, Sub-division / Splitting of securities certificate, Consolidation of securities certificates/folios, Transmission and Transposition. Members are requested to furnish Form ISR-4 hosted at Company's website at https://kioclltd.in/data.php?id=68&lang=EN along with the respective forms mentioned at this para for executing aforesaid requests.

9. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

10. Members seeking any information regarding the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 22/09/2026 through email on cs@kioclltd.in. The same will be replied by the Company suitably.

11. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, and the Register of Contracts or Arrangements, in which the Directors are interested, maintained under Section 189 of the Act will be made available to members for inspection in electronic mode only. Members willing to inspect the aforesaid documents can write at cs@kioclltd.in along with following details like Name of the Shareholder, Folio no. / DP ID/ Client ID as the case may be, No. of shares held in the Company and requisite document required for Inspection. The requisite document will be sent through email to the concerned shareholder.

12. Relevant Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the Special Businesses, set out above is annexed hereto.

13. In pursuance to provisions of Section 152 of the Companies Act, 2013, Mr. Ganti Venkat Kiran (DIN: 09613777), Director (Production & Projects)- Addl. Charge and Mr Gopalakrishnan Ganesan (DIN:11163002) Govt. Nominee Director are liable to retire by rotation and being eligible, offer themselves for re-appointment. Further, brief resume pursuant to Regulation 36(3) of the Listing Regulations and as per provisions of Secretarial Standard-2 in respect of Directors seeking re-appointment/ appointment at the AGM forms part of this Notice.

14. In pursuance to provisions of Section 139(5) read with Section 142 of the Companies Act, 2013, the Auditors of a Government Company are appointed or re-appointed by the Comptroller & Auditor General (C&AG) of India and their remuneration is fixed by the Company in the Annual General Meeting. The General Meeting may authorize the Board to fix up an appropriate remuneration of Auditors for the Financial Year 2025-26 as may be deemed fit by the Board.

15. Members are requested to note that, dividends which are not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends / shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in. The Company has also uploaded the details of such members whose shares have been transferred to IEPF Account on its website www.kioclltd.in.

16. In compliance with the aforesaid MCA and SEBI Circulars, Notice of the AGM along with the Annual Report 2025-26 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2025-26 will also be available on the Company's website www.kioclltd.in, websites of the Stock Exchanges i.e., NSE, BSE Limited & MSEI at www.nseindia.com, www.bseindia.com, & www.msei.in respectively, and on the website of CDSL at www.evotingindia.com.

17. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

18. Instructions for e-voting and joining the AGM are as under: -
CDSL e-Voting System – Remote & Venue Voting Facility.

    1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/ EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/ AGM will be provided by CDSL.

    2. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/ AGM without restriction on account of first come first served basis.

3. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

4. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.

5. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at https://www.kioclltd.in/table.php?id=461. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.

6. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

7. In continuation to this Ministry's General Circular No. 20/2020 dated 05.05.2020, General Circular No. 02/2022 dated 05.05.2022 and General Circular No. 10/2022 dated 28.12.2022 and after due examination, it has been decided to allow companies whose AGMs are due in the Year 2023 or 2024, to conduct their AGMs through VC or OAVM on or before 30th September, 2024 in accordance with the requirements laid down in Para 3 and Para 4 of the General Circular No. 20/2020 dated 05.05.2020.

INTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(i) The voting period begins on 26.09.2026 and ends on 28.08.2026. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22.09.2026 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL Depository**	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsl website www.cdslindia.com and click on login icon & My Easi New (Token) Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at cdsl website www.cdslindia.com and click on login & My Easi New (Token) Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with **NSDL Depository**	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting 4) For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants (DP)**	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at : 022 - 4886 7000 and 022 - 2499 7000

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(V) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

1) The shareholders should log on to the e-voting website www.evotingindia.com.

2) Click on "Shareholders" module.

3) Now enter your User ID

   a. For CDSL: 16 digits beneficiary ID,

   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4) Next enter the Image Verification as displayed and Click on Login.

5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) There is also an optional provision to upload BR/ POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non-Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address cs@kioclltd.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore

recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.

2. For Demat shareholders- Please update your email id & mobile no. with your respective Depository Participant (DP)

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

   If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911

   All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, AVP, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 21 09911.

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE AGM

(Pursuant to Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Name & DIN	Shri. Ganti Venkat Kiran (DIN: 09613777)	Shri. Gopalakrishnan Ganesan (DIN: 11163002)
Date of Birth & Age	20.05.1968, 59 years	21-10-1985, 40 years
Date of Appointment	30.08.2022	11-06-2025
Qualification	(B. Tech.) in Mechanical Engineering from the National Institute of Technology, Bhopal. Master's degree (M. Tech) in Quality Management from BITS Pilani.	B.E (Manufacturing Engineering), Guindy Anna University
Nature of expertise in specific functional areas	Shri Ganti Venkat Kiran holds a Bachelor's degree (B. Tech.) in Mechanical Engineering from the National Institute of Technology, Bhopal, and a Master's degree (M. Tech) in Quality Management from BITS Pilani. Prior to joining KIOCL Limited, Shri G. V. Kiran held key positions in leading organisations in the steel and mining sector. He served as Executive Vice-President at BRPL (Stemcor Group), Odisha, where he played a key role in executing the pellet plant project from inception to commissioning. He also served as Vice-President at Essar Steel Limited (now ArcelorMittal Nippon Steel India Limited) and Pro Minerals Private Limited (Aditya Birla Group), contributing to project execution, operations, and technical management. Shri G. V. Kiran joined KIOCL Limited in 2019 as General Manager (Projects & Technical Services) and subsequently assumed the office of Director (Production & Projects). He possesses over three decades of rich experience in the steel and mining industry, with extensive expertise in the design, construction, commissioning, operation, and maintenance of Pellet Plants and Beneficiation Plants.	Shri. Gopalakrishnan Ganesan is currently serving as Director in the Ministry of Steel, Government of India. An officer of the Indian Railway Accounts Service (2010 batch), he holds a degree in Manufacturing Engineering from the College of Engineering, Guindy (2007) and a postgraduate diploma in Public Policy from IIM Bangalore. With over 13 years of experience in government service, he has worked extensively in financial appraisal, budgeting, and procurement within Indian Railways and the steel sector. At the Ministry of Steel, he has played a key role in major policy initiatives such as the Production Linked Incentive (PLI) scheme for specialty steel, the National Steel Policy, and the implementation of 'Make in India' in the sector. His work spans steel trade, taxation, Union Budget inputs, and raw material policy.
Disclose of relationships between Directors inter-se	NIL	NIL
Directorship held in other listed entities	0	0
Cessation from listed entities (in past 3 years)	0	0
Membership/Chairmanship of Committees of the Board	3	0
No. of Equity shares held in KIOCL Limited	NIL	NIL
Attendance in Board Meetings held during 2025-26	6/6	4/5

EXPLANATORY STATEMENT

[Pursuant to Section 102(1) of the Companies Act, 2013]

As required by Section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item No.5, 6, 7 & 8 of the accompanying Notice: -

Item No. 5: Appointment of Shri. Subash Chandra Saraf (DIN- 11163002) as Independent Director

Pursuant to Ministry of Steel Order No. 1/1/2026-BLA-BLA dated July 14, 2026, Shri Subash Chandra Saraf was appointed as an Additional Director, designated as an Independent Director, with effect from July 14, 2026. The appointment was approved by the Board of Directors through Circular Resolution dated July 31, 2026 and subsequently ratified by the Board at its meeting held on August 13, 2026.

Pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, the appointment of an Independent Director is required to be approved by the shareholders. Further, in accordance with the first proviso to Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, every Public Sector Company is required to obtain the approval of its shareholders for the appointment or re-appointment of a person on its Board of Directors at the immediately succeeding General Meeting.

Accordingly, in the absence of the Nomination and Remuneration Committee, the Board of Directors has recommended the appointment of Shri Subhash Chandra Saraf as an Independent Director of the Company for a term of 3 years commencing from July 14, 2026, subject to the approval of the shareholders by way of a Special Resolution.

Shri. Subhash Chandra Saraf has confirmed that he meets the criteria of independence prescribed under Section 149(6) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also furnished the requisite declarations, including the confirmation required under Regulation 25(8) of the SEBI (LODR) Regulations, 2015, and has confirmed that he is not debarred from holding the office of Director by virtue of any order of SEBI or any other such authority.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, is this Resolution.

The Board of Directors recommends the Special Resolution for approval of the shareholders.

A brief profile of Shri. Subhash Chandra Saraf in accordance with Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below: –

Brief Profile:

Name & DIN	**Shri. Subash Chandra Saraf (DIN- 11163002)**
Date of Birth & Age	04-01-1962 & 64 years
Date of Appointment	14-07-2026
Qualifications	B. Com, LLB, M. Com, CA
Nature of expertise in Specific functional areas	Shri. Subash Chandra Saraf has experience of over 40 years in the core areas of Audit, Direct & Indirect Taxes, Domestic and International Tax Planning, Domestic and International Deal Initiations, Capital Planning Advisory, Corporate Consultancy, Mergers & Amalgamations, besides having special exposure, business process re-engineering, requirements definition, systems design, systems development and implementation, information security, pre- and post- implementation reviews, Internal Audit, Management Audit, Investigation Audit, monitoring and handling of change management in operational and financial areas, business model transformation supporting domestic and global businesses to transform and integrate effectively, including assessing and designing of risk and controls. He served as an Independent Director of National Buildings Construction Corporation Limited (NBCC) from December 2011 to November 2014 and The State Trading Corporation of India Limited (STC) from March 2012 to February 2015, both listed Navaratna CPSEs.
Disclosure of relationships between Directors inter-se	There exists no relationship between Directors inter-se.
Directorship held in other listed entities	NIL
Cessation from listed entities (in past three years)	NIL
No. of equity shares held in KIOCL Limited	NIL

Item No. 6: Appointment of Shri. Avtar Singh (DIN-11163002) as Independent Director

Pursuant to Ministry of Steel Order No. 1/1/2026-BLA-BLA dated July 14, 2026, Shri. Avtar Singh was appointed as an Additional Director, designated as an Independent Director, with effect from July 14, 2026. The appointment was approved by the Board of Directors through Circular Resolution dated July 31, 2026 and subsequently ratified by the Board at its meeting held on August 13, 2026.

Pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, the appointment of an Independent Director is required to be approved by the shareholders. Further, in accordance with the first proviso to Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, every Public Sector Company is required to obtain the approval of its shareholders for the appointment or re-appointment of a person on its Board of Directors at the immediately succeeding General Meeting.

Accordingly, in the absence of the Nomination and Remuneration Committee, the Board of Directors has recommended the appointment of Shri Avtar Singh as an Independent Director of the Company for a term of 3 years commencing from July 14, 2026, subject to the approval of the shareholders by way of a Special Resolution.

Shri. Avtar Singh has confirmed that he meets the criteria of independence prescribed under Section 149(6) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also furnished the requisite declarations, including the confirmation required under Regulation 25(8) of the SEBI (LODR) Regulations, 2015, and has confirmed that he is not debarred from holding the office of Director by virtue of any order of SEBI or any other such authority.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, is this Resolution.

The Board of Directors recommends the Special Resolution for approval of the shareholders.

A brief profile of Shri. Avtar Singh in accordance with Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below: –

Brief Profile:

Name & DIN	**Shri. Avtar Singh (DIN- 11163002)**
Date of Birth & Age	28-04-1963 & 63 years
Date of Appointment	14-07-2026
Qualifications	Bachelor of Science (B.Sc.)
Nature of expertise in Specific functional areas	Shri. Avtar Singh has over 18 years of experience in the pharmaceutical sector, having worked in marketing and sales across Jammu & Kashmir, Punjab and Himachal Pradesh, including as a Zonal Head (North Zone). He has also held various elected positions in local self-government institutions, including Sarpanch, Block Development Council (BDC) Chairman, and District Development Council (DDC) Member in the Union Territory of Jammu & Kashmir.
Disclosure of relationships between Directors inter-se	There exists no relationship between Directors inter-se.
Directorship held in other listed entities	NIL
Cessation from listed entities (in past three years) NIL	NIL
No. of equity shares held in KIOCL Limited	NIL

Item No. 7: Appointment of Shri. Rakesh Modi (DIN-11846519) as Independent Director

Pursuant to Ministry of Steel Order No. 1/1/2026-BLA-BLA dated July 14, 2026, Shri. Rakesh Modi was appointed as an Additional Director, designated as an Independent Director, with effect from July 14, 2026. The appointment was approved by the Board of Directors through Circular Resolution dated July 31, 2026 and subsequently ratified by the Board at its meeting held on August 13, 2026.

Pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, the appointment of an Independent Director is required to be approved by the shareholders. Further, in accordance with the first proviso to Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, every Public Sector Company is required to obtain the approval of its shareholders for the appointment or re-appointment of a person on its Board of Directors at the immediately succeeding General Meeting.

Accordingly, in the absence of the Nomination and Remuneration Committee, the Board of Directors has recommended the appointment of Shri Rakesh Modi as an Independent Director of the Company for a term of 3 years commencing from July 14, 2026, subject to the approval of the shareholders by way of a Special Resolution.

Shri Rakesh Modi has confirmed that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and has also provided the requisite declarations including confirmation under Regulation 25(8) of the SEBI (LODR) Regulations, 2015. He has further confirmed that he is not debarred from holding the office of Director by virtue of any SEBI order or order of any other such authority.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, is this Resolution.

The Board of Directors recommends the Special Resolution for approval of the shareholders.

A brief profile of Shri. Rakesh Modi in accordance with Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below: –

Brief Profile:

Name & DIN	**Shri. Rakesh Modi (DIN- 11846519)**
Date of Birth & Age	22-02-1975 & 51 years
Date of Appointment	14-07-2026
Qualifications	B. Com
Nature of expertise in Specific functional areas	Shri Rakesh Modi has extensive experience in public administration, civic governance, institutional management and social service. He has held leadership positions in several social, charitable and community organizations, including as Vice President of the Indian Red Cross Society, National Vice President of Akhil Indian Maheshwari Yuva Manch (2018 to 2021) and Vice Chairman of Nagar Nigam (2013 to 2018). He has also been associated with various educational, cultural, trade and charitable organizations, reflecting his broad experience in governance, community engagement and organizational leadership.
Disclosure of relationships between Directors inter-se	There exists no relationship between Directors inter-se.
Directorship held in other listed entities	NIL
Cessation from listed entities (in past three years) NIL	NIL
No. of equity shares held in KIOCL Limited	NIL

Item No. 8: Ratification of the Remuneration of Cost Auditor

The Board of Directors of the Company, on the recommendation of the Audit Committee, has approved the appointment of M/s. Dhananjay V Joshi & Associates, Cost Accountants, to conduct the cost audit of the Pellet Plant Unit for the Financial Year 2026-27, at a remuneration of ₹55,000/- (Rupees Fifty-Five Thousand only), plus applicable taxes and reimbursement of actual travel and out-of-pocket expenses.

In accordance with the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to the Cost Auditors as approved by Board of Directors is required to be subsequently ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 8 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year 2026-27.

None of the Directors / Key Managerial Personnel of the Company is, in any way, concerned or interested, financially or otherwise, in this Resolution.

The Board recommends the Ordinary Resolution for approval by the shareholders.

By Order of the Board of Directors
KIOCL Limited,

Sd/-
(Clafton Siddharth)
Company Secretary
(ACS 65506)

Place: Bengaluru
Dated: 13/08/2026

THE RESOLUTIONS LISTED FOR 50th AGM ARE INDICATED BELOW: -

Sl. No.	Resolution
ORDINARY BUSINESS	
1.	Adoption of Financial Statements for the year ended 31st March, 2026 and the Reports of the Board of Directors and the Auditors thereon and Comments of the C&AG.
2.	Re-appointment of Shri Ganti Venkat Kiran (DIN: 09613777), as a director, who retires by rotation.
3.	Re-appointment of Shri Gopalakrishnan Ganesan (DIN: 11163002), as a director, who retires by rotation.
4.	Fixing the remuneration of Statutory Auditors.
SPECIAL BUSINESS	
5.	Appointment of Shri. Subash Chandra Saraf (DIN- 00268769) as Independent Director
6.	Appointment of Shri. Avtar Singh (DIN- 09431283) as Independent Director
7.	Appointment of Shri. Rakesh Modi (DIN- 11846519) as Independent Director
8.	Ratification of the Remuneration of the Cost Auditor.

Notes

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II Block, Koramangala, Bengaluru - 560 034,
Karnataka, India.

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REGISTERED OFFICE

KIOCL LIMITED

II Block, Koramangala, Bengaluru - 560 034,
Karnataka, India.

Tel No.: 080 2553 1461- 466

Website: www.kioclltd.in