

Good evening ladies and gentlemen,

FY 2025 was a year of transformation and also a year of consolidation with the merger of ISMT Limited into KFIL, not only in terms of our operational breadth but also in how we positioned ourselves for the future. Our strategic priorities remained anchored around three pillars, viz. improving cost competitiveness, transitioning toward green energy and deepening integration across our value chain, keeping focus on growth as opportunities continue to emerge for KFIL.

Our commitment to sustainability was reinforced by our commitment towards green energy investments. At the end of the year, KFIL's in house energy capacity stood at 82 megawatts of solar power and 52 megawatts of waste heat recovery across our plants.

Highlights of financial results for FY 2024–2025

The Board at its meeting held on 9 May 2025 has approved the annual financial statements for the financial year ended 31 March 2025 and recommended the same for adoption by the Members of the Company.

Highlights of standalone financial results are as under :

Total Income was ₹ 6,628 Crores as compared to ₹ 6,151 Crores for the previous financial year with a modest growth despite pricing volatility and deflationary pressure on prices of key products such as pig iron, castings, steel and tubes.

Profit before tax was ₹ 432 Crores as compared to ₹ 476 Crores for the previous financial year with a decrease of around 9 percent.

Profit after tax was ₹ 317 Crores as compared to ₹ 321 Crores for the previous financial year with a decrease of around 1 percent.

Operational Performance for FY 2024–2025

During the financial year, sale value of pig iron was ₹ 2,078 Crores as against ₹ 1,805 Crores in previous year.

Sale value of castings was ₹ 1,654 Crores as against ₹ 1,508 Crores in previous year.

Sale value of tubes was ₹ 2,103 Crores as against ₹ 2,065 Crores in previous year.

Sale value of steel was ₹ 541 Crores as against ₹ 534 Crores in previous year.

Production of pig iron during the financial year increased as compared to that of the previous year mainly on account of the operation of all three mini blast furnaces throughout the financial year and the implementation of productivity measures such as PCI and oxygen enrichment. All the pig iron produced during the year was sold and optimum inventory was maintained.

The Company continued to maintain the market leadership position in the domestic casting business. Efforts were put on development of new castings, reduction in operational costs and also increasing the machining and proto business.

During the financial year, the Company continued the supply of OCTG tubes and boiler segment businesses. Efforts will continue to increase sale of premium connections tubes to the oil majors in India.

Towards sale of steel, the Company is progressing well on increasing customer base, retention and growth aligned to the strategic goals. It is also in active engagement with few European Union customers for supply of steel.

Implementation of Pulverised Coal Injection (PCI) and oxygen enrichment systems at mini blast furnaces situated at Koppal plant has improved furnace productivity and reduced coke consumption.

Operations of 'Kirloskar Bharat Mines' have resumed after obtaining necessary regulatory clearances. It represents a significant step towards backward integration.

Update on customers

During the year under review, the Company was successful in increasing the share of castings business from current customers and developed new products to meet requirements of customers.

With regard to tubes segment, sales of high alloy boiler tubes has increased to customers in public sector undertakings and private sector. The Company also has reenergised trade business with a view to have improved regional representations and market penetration.

Update on projects in progress

The Company has been consistently maintaining its growth trajectory. Projects are mainly focused on capacity expansion and cost optimization in existing manufacturing plants.

Major projects such as expansion of Moulding Line (Phase II) at Solapur, 30 MW Solar Plant (Phase II) and 12.6 MW Wind Mill (Phase I) in Maharashtra and expansion of machining capacity are in progress.

The Company continues to pursue its objective of setting up a steel plant at Koppal. Necessary clearances have been obtained from the Ministry of Environment, Forest and Climate Change (MOEF) and project activities are expected to commence in the current financial year.

Safety, Health and Environment

The Company believes that safety of employees is first and foremost priority and is committed to provide safe, healthy and environment friendly workplace. Training programs are conducted at regular intervals to update safety awareness and skills of employees.

New employees are provided with intensive safety induction training and on job training. All statutory requirements related to safety, health, environment and governance are being complied with.

Industrial relations

Employer-employee relations were generally cordial during the financial year.

Corporate Social Responsibility

The Company believes in working for the betterment and upliftment of the society. Corporate Social Responsibility (CSR) has been practiced over the years in the Company. Focus areas under CSR include Health and Hygiene, Education, Environment and Rural Development. Various CSR activities have been carried out directly or through implementing agencies. Details of CSR activities are provided in the Annual Report.

Awards and Recognitions

The Company received awards and recognitions viz. 'Pollution Control, Waste Management and Recycling award from Greentech, 'Best safety performance industry award' from the Department of Factories and Boilers and from customers. Details of other recognitions / awards received have been provided in the annual report.

Dividend

The Board of Directors at its meeting held on 4 February 2025 declared an Interim Dividend of ₹ 3 per equity share of ₹ 5 each (i.e. 60 percent). It has been paid to the eligible Members on 3 March 2025.

Further, the Board of Directors at its meeting held on 9 May 2025 has recommended a Final Dividend of ₹ 2.50 per equity share of ₹ 5 each (i.e. 50 Percent) for approval of the Members at the AGM.

Accordingly, total dividend for financial year 2024-2025 aggregates to ₹ 5.50 per equity share (i.e. 110 percent).

Changes in Directors

Pursuant to provisions of the Companies Act, 2013 and rules thereof, I retire by rotation at the AGM and being eligible, offer myself for reappointment.

Upon recommendation of the Nomination and Remuneration Committee, the Board has sought the approval of the Members for the appointment of Ms. Aditi Atul Kirloskar as a Director liable to retire by rotation.

During the financial year under review, Mr. Atul Kirloskar and Mr. A. N. Alawani retired as Directors at the conclusion of previous annual general meeting.

Mr. Y. S. Bhawe and Mrs. Nalini Venkatesh retired as Independent Directors upon completion of second term pursuant to the resolutions passed by the Members at their annual general meetings.

Mr. M. R. Chhabria has resigned as a Director of the Company with effect from 31 March 2025.

The Board placed on record its sincere appreciation and recognition for valuable contribution by these Directors.

Outlook for the future

Following activities are proposed to be undertaken :

- Strategic planning to acquire mining assets through e-auction.
- Increasing supply of castings in machined condition.
- Invest in in-house machining for casing and tubing to increase premium connection business.

Highlights of unaudited financial results for the quarter ended 30 June 2025

The Board of Directors at its meeting held on 4 August 2025 has approved the unaudited financial results for the quarter ended 30 June 2025. Highlights of standalone financial results are as under :

Total Income was ₹ 1,697 Crores as compared to ₹ 1,561 Crores for same quarter in previous financial year.

Profit before tax was ₹ 130 Crores as compared to ₹ 104 Crores for same quarter in previous financial year.

Profit after tax was ₹ 95 Crores as compared to ₹ 75 Crores for same quarter in previous financial year.

Note of Gratitude

I take this opportunity to thank all our customers, bankers, suppliers, vendors, trustees, advisors and stakeholders for their continued support. I would like to express my gratitude to the Government of India, State Governments and local authorities for their support and assistance.

I place on record my appreciation to the leadership of Mr. Gumaste and Senior Management teams and the employees for their hard work and commitment.

Thank you.

Rahul Kirloskar

Chairman