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MESSAGE FROM THE BOARD

The last financial year was a period of both challenges and opportunities for Kundan Steel. As a company committed to excellence in steel manufacturing and allied businesses, we continued to focus on operational efficiency, customer satisfaction, and sustainable growth.

Despite volatility in raw material prices, global supply chain disruptions, and evolving domestic market dynamics, Kundan Steel strengthened its market presence through prudent capacity utilization, strategic partnerships, and ongoing investment in technology. Our customer-centric approach, coupled with stringent quality standards, enabled us to retain the trust of our clients across industries.

Sustainability and responsible business practices remained at the core of our operations. We undertook initiatives to optimize energy consumption, reduce waste, and improve workplace safety—ensuring long-term value creation for all stakeholders. The following report presents a comprehensive overview of our financial performance, operational highlights, and future outlook, underscoring our commitment to resilience and growth in a competitive environment.

OUR VISION

“To build a sustainable future by producing high-quality steel responsibly, reducing environmental impact, and empowering communities where we operate.”

MANAGEMENT DISCUSSION



ANAND KOHLI, CEO, KUNDAN STEEL

OUR PRIORITIES FOR FY26

To position Kundan Steel for success in ever evolving digital world, we are embarking on an ambitious e-commerce marketplace platform initiative to reach our MSME and Individual Home Builders customer base directly, to enable us to not just plan our products portfolio more sharply, but also deliver higher level of customer satisfaction.

MESSAGE FROM OUR CEO

It gives me great pride to present to you the performance and progress of Kundan Steel for the last financial year. This year has been a defining one for us —not only in terms of operational excellence and financial stability but also in terms of embracing innovation and digital transformation.

The global and domestic Indian steel industry continued to witness volatility in raw material prices, shifts in demand, and evolving trade policies. Yet, we remained resilient by focusing on cost efficiency, product diversification, and customer engagement. Our people, processes, and partnerships have been the driving force behind this resilience.

One of our most significant milestones for the coming year will be the launch of our E-Commerce Marketplace Platform. This initiative marks a paradigm shift in how we connect with our customers. By leveraging digital technology, the platform will enable buyers to access our products more conveniently, compare offerings transparently, and place orders seamlessly. It will also allow us to reach new geographies and customer segments while reducing transaction inefficiencies. We see this platform not only as a sales channel but as a strategic ecosystem that will strengthen relationships, provide valuable insights into customer needs, and enhance our overall service delivery.

Looking ahead, our vision is clear: to continue building a future-ready, sustainable, and digitally enabled steel enterprise. With the support of our employees, the trust of our customers, and the confidence of our stakeholders, I am confident that Kundan Steel is well positioned to achieve new milestones in the coming years.

Thank you for your continued trust and partnership.

BUSINESS PERFORMANCE

FY25



REVENUE GROWTH

11% growth rate in a market where our competitors degrew by 5% YoY on an average, driven by a strong domestic demand and increased share of MSME



COST SAVINGS

Our operating profit grew by 16% on account of a adoption of more energy efficient production technology, and cost control measures executed by our CFO



SETTING GROWTH COURSE

We are embarking on a strategic e-commerce journey, our digital marketplace focused on MSME and Individual House Builders segments will deliver high rate of growth

Revenue Drivers

We are experiencing healthy demand from MSME segment and real estate sectors in the last two years and their share in our total revenue is steadily increasing. Automotive is also recovering slowly and would continue to be an important part of our growth story going forward. We continue to focus on innovative products of the future to drive revenue.

In terms of channels, we are seeing the emergence of e-commerce in our industry, and the propensity and willingness to source steel via e-commerce platforms and D2C platforms. This is a channel that we have historically not focused on, and a channel we believe will deliver a significant percentage of our revenue over the next few years.

COST DRIVERS

Our investments into newer technologies in manufacturing is yielding positive outcomes within 2 years of such adoption. Overall energy cost savings and efficiencies in supply chain have resulted in improvement in gross margin, and we will continue to focus on cost management and delivering better profitability. In addition to these, we are also focused on reducing our marketing spend across traditional channels.

In light of proposed launch of our e-commerce platform, we have earmarked an additional budget for marketing the platform. We expect the platform to start giving robust return on investment in 2-3 years.

We are also looking to invest in additional capacity over the next three years to take advantage of robust domestic demand expected in light of reforms proposed by the Prime Minister recently.

FORAY INTO THE FUTURE

DIGITAL MARKETPLACE

GOING DIGITAL

As Kundan Steel continues to grow its revenue and market base beyond USD 15 billion and its operations in 34 countries globally, we are looking beyond our traditional distribution channels to fuel our future growth.

In response to requests received from our highest growth segment clients in MSME and Individual House Developers, Kundan Steel has decided to set up an online platform to enable our growing business with MSME customers and Individual House Builders segment.

We are in the process of selecting the right consulting firm to work with us over the next few years to build and help operate the digital commerce platform. We expect the platform to start operating within 9 months of commissioning of this project with the chosen consulting firm.

Parallely, our Human Resources team is also in the process of acquiring talent from leading e-commerce platforms to build a team to run the platform. This would set us up for success as we roll this platform out over the next few months.

GROWTH IMPERATIVE

We have studied the trends of e-commerce across industries, and are seeing the readiness of the market for adopting digital commerce in our industry. This is now an imperative for growth vs good to have, and we expect the companies that do not adopt digital commerce will get left behind in the next 10 years.

Our leadership team and Board recognise the risks and opportunities this presents to Kundan Steel and are taking proactive steps to take advantage of the opportunity.

STRATEGIC OUTCOMES WE EXPECT

Our strategic intent for our digital platform are to: (a) building this digital commerce platform, (b) driving USD 1 billion of GMV on the platform within the first 3 years of its operation and (c) driving a high business valuation for the digital platform over the next 3 years.

We will report back to our stakeholders periodically on the outcomes from our platform.



OUR KEY MARKETS



WHERE WILL GROWTH COME FROM

We operate in 34 countries, with India contributing more than 75% of our revenue. We have been focused on expanding our operations in Africa and in the Middle East. Our exports to the United States and EU continue to be small, and we are looking to take necessary steps to build the right go-to-market strategy.

Aligned with Indian Prime Ministers Make in India initiative, Kundan Steel is working towards supporting MSME segment in driving India's GDP. We expect approximately 17% of our revenue to come from MSME sector over the next 5 years. We expect our traditional enterprise clients will continue to grow at the same time, but we expect MSME segment to grow at a significantly faster rate.

KEY GROWTH AREAS

Apart from India, we expect higher rate of growth to come from Africa and Middle East, largely on the back of large infrastructure projects being executed in these markets.

We continue to make marginal gains in the US and EU markets, however, due to recent tariff impacts, we expect our revenues from the US to reduce significantly.

SUMMARY OF BUSINESS RESULTS

The table below summarises the business performance for FY25. These have been summarised from the financial statements audited and signed off by our external auditors - Another Big 4 LLP.

Detailed financial statements are available to our investors, and have been emailed to your registered address. If you want to obtain a copy of the audited financial statements, please reach out to Investor Relations team at investors@kundansteel.com.

SUMMARY OF AUDITED FINANCIAL STATEMENTS

Particulars (all amounts in INR Crores)	Q1	Q2	Q3	Q4	FY 24-25	FY 23-24	YoY	YoY %
Revenue from Operations	33251	31299	32109	34582	131241	118400	12841	11%
Direct material costs	16298	15663	15894	17945	65800	60361	5439	9%
Power and fuel	3301	3089	3220	3387	12997	11892	1105	9%
Mining premium and royalties	2034	2030	2009	2103	8176	7487	689	9%
Depreciation	1510	1523	1589	1529	6151	5573	578	10%
Employee costs	789	784	778	812	3163	2895	268	9%
Other Expenses	4508	4611	4289	4799	18207	15807	2400	15%
Operating Profit	4811	3599	4330	4007	16747	14385	2362	16%
Operating Profit as a % of Revenue	14%	11%	13%	12%	13%	12%		
EBITA (inclusive of other income)	4356	3367	4249	3876	15848	13697	2151	16%
EBIDTA as a % of Revenue	13%	11%	13%	11%	12%	12%		

THANK YOU



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