

**INTERNSHIP REPORT ON
KIOCL LTD**

**Submitted by
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**Submitted to
VISVESVARAYA TECHNOLOGICAL UNIVERSITY
IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF
THE DEGREE OF
MASTER OF BUSINESS ADMINISTRATION**



Under the guidance of

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ALVA'S INSTITUTE OF ENGINEERING & TECHNOLOGY
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ALVA'S INSTITUTE OF ENGINEERING & TECHNOLOGY

(A Unit of Alva's Education Foundation @ Moodbidri)

Affiliated to Visvesvaraya Technological University, Belagavi

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DATE: 30/01/2023

CERTIFICATE

This is to certify that **SUIAN LEONARD** bearing USN 4AL21BA093, is a bonafide student of Master of Business Administration program of the Institute (2021-23) affiliated to Visvesvaraya Technological University, Belagavi.

The Internship report on "KIOCL LIMITED., MANGALORE" is prepared by him under the guidance of **Mrs. Maithri**, Senior Lecturer, PG Department of Business Administration in partial fulfillment of the requirements for the award of the degree of Master of Business Administration, Visvesvaraya Technological University, Belagavi, Karnataka.

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DECLARATION

I hereby declare that this Internship conducted at KIOCI Ltd is record of independent work carried out by me under the guidance of MRS MAITHRI , I also declare that this Internship is towards the partial of the University regulation for the award of degree of Master of Business Administration by ALVA'S INSTITUTE OF ENGINEERING AND TECHNOLOGY, Mangalore.

I have undergone an internship for a period of four weeks. I further declare Internship is based on the original study undertaken by me and not been submitted for the award of any degree from any other University Institution.

Place: Mangalore

SUHANLEONARD

Date:

4AL21BA093

ACKNOWLEDGEMENTS

The internship opportunity I had with KIOCL Ltd was a great chance for learning and professional development. Therefore, I consider myself as a very lucky individual as I was provided with an opportunity to be a part of it. I am also grateful for having a chance to meet so many wonderful people and professionals who led me through this internship period.

I would like to express my deepest thanks to my internship guide MRS.MAITHRI for his valuable supervision throughout the work.

I take this opportunity to thank General Manager and Senior Manager (H R) of KIOCL LTD for permitting me to do the internship in their esteemed company and providing me with necessary facilities for carrying out the internship. I am extremely grateful to Mr. Muruges Deputy General Manager (Accounts) my mentor for his valuable advice and guidance during the project course.

I also extend my heartfelt thanks to the Mr. Muruges for including the project report as a part of my curriculum.

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KIOCL LIMITED



SUBMITTED BY:

SUHAN LEONARD
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MBA

INTRODUCTION

Kudremukh Iron Ore Company Ltd. is a Government of India enterprise with its head office in Bangalore.

The Company was formed in April 1976. The 7.5-million-ton annual capacity project at Kudremukh along with the 110 km slurry pipeline and filtration units at Mangalore was to be completed in August 1980. Shipments were to commence in September 1980. KIOCL completed the project in time without cost or time overrun..

The mined ore is transported through pipelines running through the districts of Udupi and Dakshina Kannada up to the plant in Panambur, adjacent to the premises of New Mangalore Port in Mangalore.

The ore is pelletized in the pelletization plant. The pellets are shipped to countries like China, Iran, Japan, and Taiwan.

The pellet plant with a capacity of 3 million tons per annum was commissioned at Mangalore in 1987. Later on, the capacity was increased to 4 million tons per year. Incorporated on April 2, 1976, the KIOCL Ltd., a Government of India enterprise, it was Asia's largest iron ore mining and Palletisation complex and the country's biggest 100% export-oriented unit engaged in the business of exporting high quality iron oxide pellets and pig iron.

Headquartered based at Bangalore, with the Company's mining and beneficiation facilities located at Kudremukh and iron oxide pelletization complex and Pig Iron unit at the well-connected coastal city of Mangalore in Karnataka.

CHAPTER-2

ORGANISATIONAL PROFILE

India produces as many as 87 minerals, which include 4 fuel minerals, 10 metallic minerals, 47 non-metallic minerals, 3 atomic minerals and 23 minor minerals (including building and other materials). Minerals can broadly be divided into fuel and non-fuel minerals. Coal, Lignite, petroleum and natural gas are the four fire minerals. Among the non-fuel minerals, again two broad distinctions can be made-metallic minerals and non-metallic minerals including minor minerals. Metallic minerals are those minerals that can be melted to make new products. Examples are iron ore, copper, gold, lead, zinc, silver, tin, etc. Non-metallic minerals are minerals that are not able to create new products after melting and are usually sedimentary rocks Examples are Limestone, mica, gypsum, dolomite, asbestos, etc.

In a way, atomic minerals also can be clubbed under this category. Essentially these minerals are used for the nuclear power programme in India to generate electricity. Uranium and thorium are the two chiefly known naturally occurring atomic minerals considered as sources of power. These minerals are excluded from the scope of the present study and this study focuses only on the non-fuel minerals, which are used in industrial production. KIOCL LTD is Mining industry as it includes iron ore. Therefore industry analysis is bases on both iron ore and mining.

Industrial structure

Industry classification based on product categories and the major producers can be divided into following.

Iron Ore: National Mineral Development Corporation (NMDC), KIOCL LTD and Sesa Goa (Sesa) are the major merchant producers of iron Ore SAIL and Tata steel have their captive iron ore mines.

Pig Iron: KIOCL, SesaGoa and Ushalspat. Apart from them there are many mini blast furnaces (MBF) pig Iron Producers and even integrated steel plants like SAIL and DNL Produces significant amount of pig Iron.

Sponge Iron: Essar Steel, Ispat Industries is the major producers of gas-based sponge iron. Flat Steel Products: SAIL, Tata Steel Essar steel, Ispat industries, and Jindal Vijayanagar(VSI) are the major producers of hot rolled coils (HRC). SAIL, Tata steel, Ispat Industries, Jindal group companies, Uttam steel and Bhushan steel are the big producers of cold rolled coils Sheets (CRC) and galvanized sheets (GP/GC)

State-wise Mineral Scenario:

During the year 2010-11, mineral production was reported from 32 States Union Territories. Of which the bulk of value of mineral production of about 90.03 percent was confined to 22 States (including offshore areas) only. Offshore areas continued to be in leading position, in terms of value of mineral production in the country and had the share of 25.64 percent in the national output. Next in order was Odisha with a share of 10.62 percent followed by Rajasthan (8.58 percent), Andhra Pradesh (7.81 percent), Jharkhand (7.72 percent), Chhattisgarh (6.65 percent), Gujarat (6.33 percent), Madhya Pradesh 5.28 percent), Assam (4.64 percent), Goa (3.49 percent) and Karnataka (3.27 percent), and in the total value of mineral production. Remaining 10 states Union Territories having individual share of 3 percent or less than 3 percent all together accounted for 9.97 percent of total value during the year under review. State wise analysis revealed that during the year 2010-11, the value of mineral production in most of the mineral producing states has shown a mixed trend as compared to that in the previous year. The states which have indicated an increase in the value of mineral production are Chhattisgarh (41.94 percent), Himachal Pradesh (41.81 percent) Bihar (32.77 percent),

Odisha (31.64 percent), Karnataka (26.20 percent), Uttar Pradesh (9.95 percent) and Tripura (8.36 percent) during the year under review.

BACK GROUND OF THE COMPANY

KIOCL Limited, a wholly owned Government of India Enterprise, was established in 1976 to develop the mine and plant facilities to produce 7.5 million tons of concentrate per year. The mine and plant facilities were commissioned in 1980 and the first shipment of concentrate was made in October 1981. A Pelletisation plant with a capacity of 3.5 million tonnes per year was commissioned in 1987 for production of high-quality blast furnace and direct reduction grade pellets for export. Legend and wild beauty, Kudremukh, in the State of Karnataka, is known to have one of the largest deposits of iron ore in the world.

KIOCL Limited is Country's prestigious 100percent Export oriented Unit with mini Ratna status under the Ministry Steel. Company is operating Iron Oxide Pellet Plant and Blast Furnace Unit at Mangalore, Karnataka, Company is engaged in the business of manufacturing and exporting high quality Iron Oxide Pellets and supply of Pig Iron for domestic market. The public sector company, under the Ministry of steel, has a good track record of commitment to quality, customer satisfaction and environment management system that propelled it to achieve. ISO-9001: 2008 certified for product Quality, ISO-14001: 2004 certified for Environment Management and OHSAS: 18001:2007 certified for Occupational Health and Safety Management System. Company's registered office is located at Bangalore.

Mining activities at the worksite at Kudremukh, 110 Kms from Mangalore came to halt from the end of 2005 with the Supreme Court confirming the status of Kudremukh National Park area over the present mines at Kudremukh. The Company's Mangalore units of Pellets Plant and Blast Furnace Units are running with the outsourced hematite iron ore to convert into iron oxide pellets. Company's pioneering R&D programmes proved fruitful in switching over the system designed for conversion of Magnetite ore to that of hematite ore into iron oxide pellets under wet grinding process with the existing plant and machinery. KIOCL's products are now widely accepted in the domestic and international markets and have very high brand

NATURE OF BUSINESS

Incorporated on April 2, 1976, the KIOCL Ltd, a Government of India enterprise, was Asia's largest iron ore mining and pelletisation complex and the country's biggest 100% export oriented unit engaged in the business of exporting high quality iron oxide pellets and pig iron. Headquartered at Bangalore with the Company's mining and beneficiation facilities located at Kudremukh and iron oxide pelletisation complex and Pig Iron unit at the well-connected coastal city of Mangalore in Karateka. The 3.5 million-tonne capacity Pellet Plant complex comprises of the Filter Plant, Wet grinding mills, mechanised ship loading unit, 28-mw captive power plant, Roll Press, Pelletisation discs, Furnace etc...

The idea of beneficiating the ore deposits was first proposed when several Japanese companies came together with the National Mineral Development Corporation (NMDC), a Government of India undertaking, evincing an interest in such a project, Pilot studies suggested that the surface ore with 38% iron could be enriched to a concentrate of 67% iron with available new technologies. The concentrate could be transported to Mangalore, on the coast of the Arabian Sea, 110 KM. to the west of Kudremukh. But global steel industry went into decline in the late sixties and the Japanese withdrew. Interest was revived in early 1970 when Iran drew up its plans for an ambitious domestic steel industry and was looking for a reliable supplier of iron ore. Kudremukh seemed ideal, abundant and just across the sea and an agreement was reached. A 110 km road through Western Ghats was built, and a slurry pipeline to Mangalore port, the port itself had to be deepened. KIOCL delivered the project, in time, within the estimated cost. But Iran did not lift the ore due to the changed political situation. Hence KIOCL had to look for alternate markets.

KIOCL's products are now exported to China, Japan, Iran and Taiwan in the international market besides catering to a number of consumers in the domestic market such as Ispat Industries, Vikramispat and Jindal Vijayanagar Steel Limited.

VISION MISSION, QUALITY POLICY

Company Vision

The Vision of KIOCL LTD is, 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 & palletisation Industry in India and establish a global credence.

Company Mission

- Lasting relations with customers and Vendors to ensure smooth supply chain based on
- trust and mutual benefits.
- Business with Ethics & Integrity.
- Continuous learning.
- Adaptability to Technology and changing global scenario.
- Growth, recognition and reward for employees.

Quality Policy

The Company follows different quality policies which is explained as follows

Producing quality for the world:

Company's Iron Oxide Pellets conform to international standards, making them ideal for hi tech plants anywhere in the world. As a result of latest production techniques and constant R&D efforts of company to improve quality. Company's product are currently the choice of quality in India and Abroad with a highly satisfied clientele built up over the years.

Etching international quality rating:

Company's total quality movement is an assurance for the very best that it can offer. Right from the beginning what sets Company apart has been its commitment to quality and customer satisfaction. It is this consciousness for quality that led to certification of quality management System as per ISO-9001:2004 Standard.

Employee Involvement:

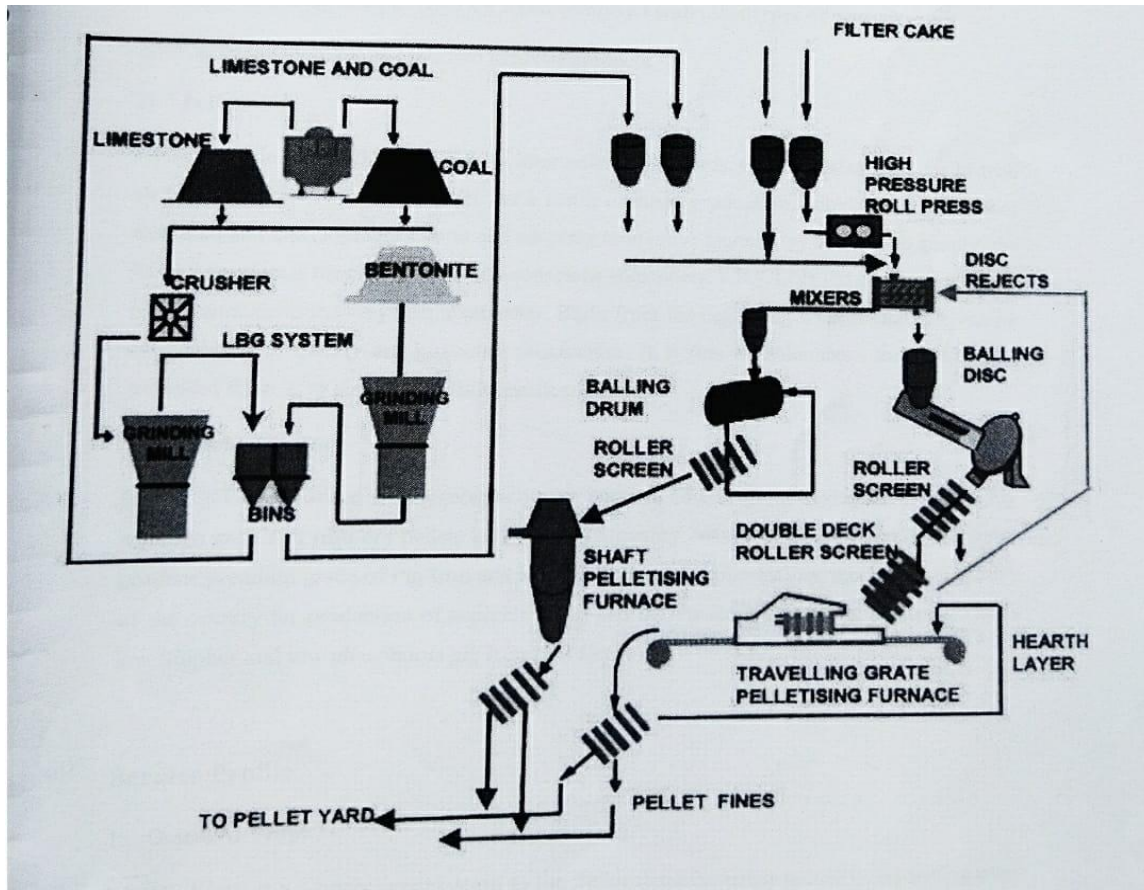
Company is commitment to accord high priority to human resource development to enhance the employees Involvement in Quality management system and to Introduce and maintain an effective quality assurance system aimed a total quality management.

Customer Satisfaction: Company's Policy as a global supplier is to ensure that supplies adhere to contractual specifications and satisfy the customers.

Environmental Protection: KIOCL Ltd a 100percent EOU produces quality Iron ore concentrate and pellets. Long term plans to strive for high standard of safety, ecology, environmental protection and to fulfil its obligations to the society.

WORK FLOW MODEL PELLETISATION PROCESS

The Pellets produced at the Mangalore plant have excellent chemical. Physical and reduction properties and are an ideal for BF and DR. The Iron Oxide Pellets conform to International Standards, making them ideal for hi tech steel plants anywhere in the world. As a result of latest production techniques and constant R and D efforts to improve quality, KIOCL's products are the choice of quality conscious consumers in India and abroad.



Product/Service profile

Product Profile

Kudremukh produces high grade iron ore concentrate which is ideal for use as sinter feed and for pelletisation. The concentrate is being used in the steel plants of China and Japan for sintering and in Iran and China as a blend in pellet feed. The outstanding features of kudremukh ore is that it is very low in alumina, sulphur, phosphorous, vanadium and other deleterious elements. Magnetite content of the ore has an added advantage in that it requires relatively less energy for sintering and palletisation when compared with other types of iron ore. KIOCL basically manufactures two kinds of products.

1) Pellets

KIOCL's Iron Ore Pellets conform to international standards, making them ideal for hi-tech steel plants anywhere in the world. As a result of latest production techniques and constant Research and Development efforts and adopting innovative technology to improve quality, the KIOCL product is the choice of quality consumers. KIOCL's total quality movement is an assurance to the very best it can offer. Right from the beginning what set KIOCL was its commitment to quality and customer satisfaction. It is this consciousness for quality that propelled KIOCL to achieve the ISO certifications.

2) Pig Iron Castings

KIOCL's Blast Furnace Unit leverages on the intrinsic advantage of having access to highly superior grades of Iron ore pellets and with high quality coke and superior quality inputs to produce premium grade of Pig Iron and a cost-effective raw material for the foundry industry of the country for production of superior grade and high precision castings. It also produces low Sulphur and low phosphorus pig Iron (SG Grade).

Service Profile

1.O and M Projects

KIOCL Limited a pioneer organization in the Pellet manufacturing industry and having over three decades of experience of owning, operating, Maintaining and Controlling (of the Process Parameters) of the Iron Ore beneficiation plant of capacity of 7.5 MTPA and Iron Oxide Pellet Plant capacity of 3.5 MTPA.

2. O&M of Beneficiation and Pellet Plant at Donimalai:

KIOCL has entered into an agreement with M/s NMDC for providing services during pre-commissioning, commissioning and O&M services for a period of Three years in respect of 1.89 MTPA beneficiation and 1.2 MTPA Pellet Plant of NMDC at Donimalai. KIOCL's technical Manpower was involved in pre-commissioning activities, trial runs of the equipment, etc. At present both Beneficiation and Pellet Plant of NMDC are commissioned and production has commenced.

3. O&M of Chrome Ore Beneficiation Plant (COB) at Kaliapani:

KIOCL has undertaken the contract work with M/s Orissa Mining Corporation (OMC) for operation, repair and Maintenance of their existing 1.4 MTPA Chrome Ore Beneficiation Plant (COBP) in the Mining Lease area of South Kaliapani Mines in the district of Jajpur, Odisha for a period Three years w.e.f April 1st 2015.

4. Mineral Exploration:

KIOCL Limited is recognized as the Mineral Exploration entity under section 4(1) of Mines and Minerals (Development and Regulations) Act 1957 w.e.f February 16th 2015 for carrying out Mineral Exploration works across the country.

KIOCL has carried out around 25,000 meters of exploration drilling across the country for providing the mineral evidence. An MoU was entered with M/s Mineral Exploration Corporation Limited (MECL) for "Utilization of the core competency in the field of Mineral.

Ownership pattern

HOLDERS NAME	NO OF SHARES	% SHARE HOLDING
NO. OF SHARES	607751096	100%
PROMOTERS	601877627	99.03%
FOREIGN INSTITUTIONS	22055	0%
N BANKS MUTUAL FUNDS	52504	0.01%
OTHERS	632507	0.1%
GENERAL	4372718	0.72%
FINANCIAL INSTITUTIONS	793685	0.13%

SL.NO	COMPOSITION
1	SRI T. SAMINATHAN CHAIRMAN-CUM-MANAGING DIRECTOR & DIRRECTOR
2	SRI SWAPAN KUMAR GORAI DIRECTOR(FINANCE)
3	SRI K.V BHASKARA REDDY DIRECTOR (PRODUCTION & PROJECTS)

NON-FUNCTIONAL DIRECTORS

1	SMT.SUKRITI LIKHI, ADDITIONAL SECRETARY & FINANCIAL ADVISOR, MINISTRY OF STEEL
2	SRI SRINIVAS TATIPAMALA, JOINT SECRETARY, MINISTRY OF STEEL GOVT OF INDIA.
3	CA JAGDISH PURUSHOTTAM JOSHI, INDEPENDENT DIRECTOR
4	SRI NIRMALENDU MOHAPATRA, INDEPENDENT DIRECTOR
5	SRI RANJIT SREENIVAS, INDEPENDENT DIRECTOR
6	SRI G. RAMASWAMY, INDEPENDENT DIRECTOR
7	DR. USHA NARAYAN, INDEPENDENT DIRECTOR
8	SRI CHANGDEV SUKHADEV KAMBLE, INDEPENDENT

AUDIT COMMITTEE:

SL.NO	COMPOSITION
1	SRI JAGDIS P. JOSHI, CHAIRMAN
2	SRI G. RAMASAMY, MEMBERS
3	SRI RANJIT SREENIVAS, MEMBER
4	DIRECTOR (COMMERCIAL), MEMBER
5	DIRECTOR (FINANCE), PERMANENT INVITEE

Achievements/Awards

KIOCL's performance record has been consistently good year after year and counted among the top ten PSUs, conferred with MOU AWARD for the year 1990-2000 and 2000-01 for achieving "Excellent" rating in achieving MOU targets for these years. The Company has been conferred with award for achievement in different fields like environment conservation and rational utilisation of natural resources, Export, Best performance, Excellent organisation, Energy conservation, pollution control, etc.

The KIOCL bagged the prestigious CAPEXIL Special Export Award instituted by CAPEXIL in recognition of outstanding export performance of Iron Ore Concentrate & Iron Oxide Pellets for the year 2005-06.

Export Excellence Award 2005-06 in Mineral and Mineral based Products sector, instituted by Federation of Karnataka Chambers of Commerce & Industry for the year 2005-06. FIMI Environment Award for outstanding achievement in Environment Management System for the year 2004-05 Ispat Rajbasha Shield Samman in recognition of remarkable progress in the field of Progressive use of Official language Hindi and its implementations.

The public sector Company, under the Ministry of Steel, has a good track record of commitment to quality, customer satisfaction and environment management system that propelled it to achieve ISO 9001:2000, ISO 1401:1996 and OHSAS 18001:1999 for Occupational Hazards and Safety Management System, headquartered at Bangalore. KIOCL's performance record has been consistently good year after year and counted among the top ten PSUs,

Provided institutional support to sports under "KHELO INDIA" programme, All India Open Federating Rated Rapid Chess Tournament was conducted by KIOCL Limited, on 7/8th December 2019 at Mangaluru.

Engaged apprentices in the band of 10% to 15% of total manpower strength every year to provide industry-relevant training/ certification, in line with the provisions under Apprenticeship Act, 1961 and Apprentices Rules 1992.

Future Growth and Prospects

The Company has envisaged following projects for implementation for growth of the Company.

Solar Power Generation

Solar power is emerging as a key renewable source of power in India as the Government pushing through policies to support its development, given its focus on preventing change by encouraging green power, and at the same time diversifying its energy. Considering the above, KIOCL explore the possibility of entering into the business of up of Solar Power Plants by utilizing its existing resources. The Board agreed in-Principal venturing into Solar Power generation and distribution.

Integrated Steel Plant

Karnataka State Government as policy for granting mining lease clearly envisages that S in favour of entrepreneurs establishing real value addition to iron ore like setting in Integrity Steel Plant within the State. In this direction, KIOCL is in the process of setting up Integrated Steel Plant in the State of Karnataka with initial capacity of 1.5 mtpa(metric tonnes per annum) and expand to 5 mtpa with equity participation. Company through a transparent route selected M/s L Rajpur Steel (India) Pvt Ltd as a Joint Venture Partner for the same.

Data Centre and E-Commerce:

Company is in the process of entering into business of E-commerce as one of the diversification activity by transferring its present transaction completely on the E-platform and to pr facility for e-tender, e-procurement, e-auction etc and to provide services state and govern sector.

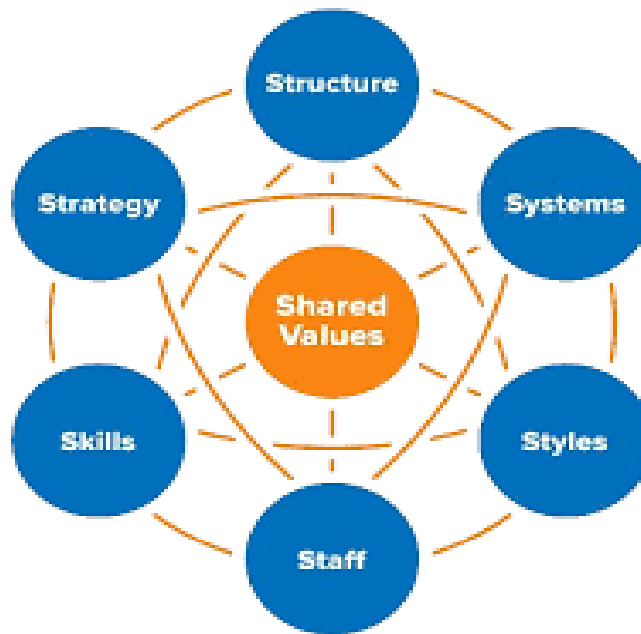
New Mining Leases:

In pursuance to the directive of the Supreme Court, mining activities at Kudremukh stopped on 31 Dec 2005. Consequent to closure of mining activities at Kudremukh Company is

exploring various alternatives for mining at other locations within Karnataka also in other States. The allocation of mining leases for Ramandurga Iron Ore Depos pending with Govt. of Karnataka. Grant of PL/ML of Khandadhar Iron ore deposit in the of Orissa is under legal litigation. The Company has applied for grant of mining lease various States and some are pending for consideration. The company is also exploring to a into mining of other minerals like Limestone & Chromite.

CHAPTER-3

MCKINSEY'S 7'S FRAMEWORK



The McKinsey 7S Model refers to a tool that analyses a company's "organizational design." The goal of the model is to depict how effectiveness can be achieved in an organization through the interactions of seven key elements - Structure, Strategy, Skill, System, Shared Values, Style, and Staff.

1.STRATEGY:

Strategy is a plan developed by a firm to achieve sustained competitive advantage and successfully compete in the market. Recently KIOCL has adopted a new strategy of entering into back-to-back contracts under tolling arrangement. The company is in currently discussion with steel majors Jindal Shaded Iron and Steel, Oman and POSCO, south Korea for entering into long term agreement for sustenance of its pellet operation.

2. STRUCTURE:

Structure represents the way business divisions and units are organized and includes the information of who is accountable to whom. In other words, structure is the organizational chart of the firm. It is also one of the most visible and easy to change elements of the framework, Structure represents the way business divisions and units are organized and includes the information of who is accountable to whom. Internally the organisation is structured into the offices of the Executive Director and the Deputy Executive Director, and four divisions with Divisional Directors at the head. The office of the executive director OED provides strategic leadership for the development and management of KIOCL .

3.SYSTEM:

Strategy is a plan developed by a firm to achieve sustained competitive advantage and successfully compete in the market. Recently KIOCL has adopted a new strategy of entering into back-to-back contracts under tolling arrangement. The company is in currently discussion with steel majors Jindal Shadeeb Iron and Steel, Oman and South Korea for entering into long term agreement through tolling arrangement for sustenance of its pellet plant operation

The main activity in system department is data collection i.e., if there is any updating in the material required starting from raising an acceptance of material is controlled by system

department using KIOCL inventory project report model. If the item is available in suitable quality the item is supplied to user and also data is updated in the inventory application.

4.SKILLS:

Skills are the abilities that firm's employees perform very well. They also include capabilities and competences. During organizational change, the question often arises of what skills the company will really need to reinforce its new strategy or new structure. KIOCL Quess Skill Academy is set up at the Blast Furnace Unit of KIOCL at Panambur on 05th February 2016, which was envisioned by KIOCL Limited, partnered with a multinational, multi-disciplined M/s Quess Corp, well versed in imparting skill knowledge in varied disciplines to the aspiring youngsters to set up this academy, KIOCL is conducting in house skill development programs for their employees to enhance their skill level.

5. STAFF:

Staff element is concerned with what type and how many employees and the element of staff highlights the fact that how many and what type of employees the company needs to be recruited, trained, rewarded, and motivated to attain its aims and objectives. Kiocl is committed to respecting human rights and ensuring the safety and health of employees. They embrace cultural and social diversity throughout their workforce, their customers and the communities where they work.

6. STYLE:

Style represents the way the company is managed by top-level managers, how they interact, what actions do they take and their symbolic value KIOCL follows an autocratic form of management style. All the major decisions are made by top management but as it is a decentralized form of organization, sometimes it also becomes democratic. All organization has its own distinct culture and management style. KIOCL Company also has its own distinct culture and management style. We can see the way managers interact with the employees and the way they spend their time. There have been extensive efforts made to make culture more

open, innovative and friendly environment with fewer hierarchies and smaller chain of command.

PORTER'S FIVE FORCE MODEL



1. Competition in the Industry:

The first of the five forces refer to the number of competitors and their ability to undercut a company. KIOCL operates in the 100% export-oriented unit and mini Ratna Company under the Ministry of steel, government of India that faces intense competition. The competitors of KIOCL are JSW STEEL, TATA STEEL, SAIL, HINDALCO. In certain products, such as Pellets, pig iron casting there are particular competitors of those products such as tata stell. KIOCL is one of the largest players in the industry with more than 45 years of experience. They hold a certain market share.

2. Potential of New Entrants into an Industry:

A company's power is also affected by the force of new entrants into its market. The less time and money it cost for a competitor to enter a company's market and be an effective competitor, the more an established company's position could be significantly weakened the steel industry

is diverse making it tough for a new entrant. There are a number of entry barriers. The existing players hold large market shares. They are well experienced and understand the needs. They have developed loyalty over time.

3. Power of Suppliers:

The next factor in the five forces model addresses how easily suppliers can drive up the cost of inputs. It is affected by the number of suppliers of key inputs of a good or service, how unique these inputs are, and how much it would cost a company to switch to another supplier. Kiocl holds the market share in the industry. As a result, it requires supplies in massive quantities. This makes it an ideal buyer for the suppliers. Therefore, any supplier that once starts supplying to Kiocl never interferes with it or attempts to bargain or influence the prices. Kiocl, in return holds its supplier in esteem and takes care of them. Kiocl prefers long-term relations with its suppliers to ensure the quality of the raw products.

4. Power of Customers:

The ability that customers have to drive prices lower or their level of power is one of the five forces. The company has a widespread customer base. The pellets have been used in blast furnaces of steel mills in Australia, China, Japan, Taiwan, Turkey and a host of other countries.

5. Threat of Substitutes:

The last of the five forces focuses on substitutes. Substitute goods or services that can be used in place of a company's products or services pose a threat. Nowadays, as the demand for iron ore increases together with the depletion of high-grade ores, mining companies have been investing to produce iron ore concentrates, such as pellet feeds (95% lower than 0.15mm) with low level of contaminants.

CHAPTER-4

SWOT ANALYSIS



STRENGTHS

- Sound financial and credit worthiness
- Debt free company with surplus funds that can be invested for its growth
- Land that can be potentially monetized
- Notification of 470.40 ha of Iron and Manganese ore mine in Devadari Range by Govt. of Karnataka Niche Expertise
- Expertise in handling iron ore from different sources (Magnetite/ Hematite) with different ore characteristics in pellet making.
- Strong expertise in Mining, Beneficiation, Pelletization, Exploration
- Authorized Economic Operator Export Oriented Unit Strong environmental and social Commitment.
- Committed Management team with high professional acumen

- Diversified Board having vast professional expertise
- Risk Management Plan and its mitigation in place

WEAKNESSES

- Raw Material Sourcing
- Lack of a Captive Mine since 2006
- Uneconomical to procure IOP from Karnataka through e-auction due to high basic price and stiff competition
- Restriction on Export of Pellets produced out of iron ore sourced from Karnataka
- Pellet 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
- 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

- Strong growth anticipated in the Indian Steel Industry driven by the Govt. focus on manufacturing and infrastructure.
- Sustained Demand for value added production like Pellets Ductile Iron Ore Pipe etc.
- Expected Early Resolution of mining licensing issues, and initiation of steps for revival
- Availability of assets and manpower for new deployment or services contracts
- Opportunity to secure new Captive mining leases or JV projects with other SMDCS or PSUs Potential growth through joint ventures with other steel majors in India and overseas.

- A committed and active management that is actively engaged in securing raw material sources on long-term arrangements with other state-owned organizations and sourcing from spot markets.
- Best located for serving Steel plants in Middle East, China under Make in India.

THREATS

- Fluctuations in IOF price due to monthly pricing under long term contract with NMDC
Constrained development due to continuation of policy, regulatory and environmental limitations
- Severe competition in the Pellet Industry from both domestic and international markets
- Commissioning of captive pellet plants by all integrated steel plants, Inflow of Pellet and high-grade lump from overseas at lower rates given global supply conditions especially with new mines scheduled to open up
- 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 pellet

Corporate social Responsibility (CSR)

- The scheme of corporate social responsibility has evolved right since inception and has been endorsed by the top management.
- The Company is committed to operate in an economically, socially and environmentally suitable manner, while recognizing the interest of the stake holder.
- The aim of CSR policy of the company is to identify and to lend a helping hand to the
- SC/ST underprivileged and economically weaker sections of the society and to contribute for their growth and development.
- KIOCL is moving forward by achieving the objective of its social responsibility. The Company has supported innumerable social initiatives primarily focused on villages within the radius of its project areas like Education, community development,

promotion of art culture ad sports, health care and spreading of environment awareness among school children.

CHAPTER-5

ANALYSIS OF FINANCIAL STATEMENT

BALANCE SHEET

BALANCE SHEET OF KIOCL (in Rs. Cr.)	MARCH 2022	MARCH 2021	MARCH 2020	MARCH 2019	MARCH 2018
EQUITIES AND LIABILITIES					
SHAREHOLDER'S FUNDS					
Equity Share Capital	607.75	607.75	621.93	621.93	634.51
TOTAL SHARE CAPITAL	607.75	607.75	621.93	621.93	634.51
Reserves and Surplus	1,535.89	1,378.24	1,294.00	1,372.03	1,511.12
TOTAL RESERVES AND SURPLUS	1,535.89	1,378.24	1,294.00	1,372.03	1,511.12
TOTAL SHAREHOLDERS FUNDS	2,143.64	1,985.99	1,915.93	1,993.96	2,145.63
NON-CURRENT LIABILITIES					

Long Term Borrowings	9.00	0.00	0.00	0.00	0.00
Deferred Tax Liabilities [Net]	0.00	0.00	0.00	9.75	0.00
Other Long Term Liabilities	199.75	202.86	203.01	86.12	174.42
Long Term Provisions	0.00	0.00	0.00	0.00	0.00
TOTAL NON-CURRENT LIABILITIES	208.75	202.86	203.01	95.87	174.42
CURRENT LIABILITIES					
Short Term Borrowings	0.00	0.00	0.00	0.00	0.00
Trade Payables	133.51	146.31	111.21	107.64	129.21
Other Current Liabilities	152.20	146.79	151.56	125.32	108.67
Short Term Provisions	22.67	0.00	0.00	0.00	0.00
TOTAL CURRENT LIABILITIES	308.38	293.10	262.77	232.96	237.88
TOTAL CAPITAL AND LIABILITIES	2,660.77	2,481.95	2,381.71	2,322.79	2,557.93
ASSETS					
NON-CURRENT ASSETS					
Tangible Assets	276.26	270.53	278.19	200.42	201.75

Intangible Assets	0.95	0.73	0.74	0.06	0.00
Capital Work-In-Progress	111.38	37.24	20.06	3.57	1.76
Other Assets	0.00	0.00	0.00	0.00	0.00
FIXED ASSETS	573.00	313.39	299.84	204.69	203.98
Non-Current Investments	0.00	0.00	0.00	0.00	0.00
Deferred Tax Assets [Net]	6.51	5.71	2.27	0.00	24.79
Long Term Loans And Advances	2.49	1.38	1.03	1.02	1.00
Other Non-Current Assets	36.73	10.62	3.69	6.38	0.82
TOTAL NON-CURRENT ASSETS	618.74	331.10	306.83	212.10	230.59
CURRENT ASSETS					
Current Investments	0.00	0.00	0.00	42.31	0.00
Inventories	345.75	305.02	256.84	308.87	232.76
Trade Receivables	291.86	242.61	122.67	63.78	54.04
Cash And Cash Equivalents	1,107.58	1,454.87	1,530.09	1,526.87	1,863.39
Short Term Loans And Advances	0.82	0.73	0.72	0.67	0.67
Other Current Assets	296.02	147.61	164.55	168.19	176.48

TOTAL CURRENT ASSETS	2,042.03	2,150.85	2,074.87	2,110.69	2,327.33
TOTAL ASSETS	2,660.77	2,481.95	2,381.71	2,322.79	2,557.93
OTHER ADDITIONAL INFORMATION					
CONTINGENT LIABILITIES, COMMITMENTS					
Contingent Liabilities	1,024.93	865.18	632.03	689.49	681.49
CIF VALUE OF IMPORTS					
Raw Materials	0.00	0.00	198.76	151.99	182.99
Stores, Spares And Loose Tools	0.00	73.66	93.05	179.92	71.89
Trade/Other Goods	0.00	73.66	93.05	179.92	71.89
Capital Goods	0.00	0.00	0.00	0.00	0.00
EXPENDITURE IN FOREIGN EXCHANGE					
Expenditure In Foreign Currency	86.45	6.72	0.41	5.97	2.55
REMITTANCES IN FOREIGN CURRENCIES FOR DIVIDENDS					
Dividend Remittance In Foreign Currency	--	--	--	--	--

EARNINGS IN FOREIGN EXCHANGE						
FOB Value Of Goods		1,846.06	1,846.06	1,574.13	1,246.98	999.59
Other Earnings		--	--	--	--	--
BONUS DETAILS						
Bonus Equity Share Capital		--	--	--	--	--
NON-CURRENT INVESTMENTS						
Non-Current Investments Quoted Market Value		--	--	--	--	--
Non-Current Investments Unquoted Book Value		--	--	--	--	--
CURRENT INVESTMENTS						
Current Investments Quoted Market Value		--	--	--	--	--
Current Investments Unquoted Book Value		--	--	--	42.31	--

PROFIT AND LOSS ACCOUNT

Profit & Loss account	----- in Rs. Cr. -----				
	March 2022	March 2021	March 2020	March 2019	March 2018
INCOME					
Revenue From Operations [Gross]	3,006.21	2,361.36	1,925.47	1,872.26	1,605.41
Less: Excise/Service Tax/Other Levies	0.00	0.00	0.00	0.00	34.82
Revenue From Operations [Net]	3,006.21	2,361.36	1,925.47	1,872.26	1,570.59
Other Operating Revenues	0.25	22.25	12.18	15.45	31.77
Total Operating Revenues	3,006.45	2,383.61	1,937.65	1,887.71	1,602.35
Other Income	74.29	94.22	118.88	124.97	147.26
Total Revenue	3,080.74	2,477.83	2,056.53	2,012.68	1,749.61
EXPENSES					
Cost Of Materials Consumed	2,322.08	1,675.13	1,618.50	1,524.79	1,317.21
Purchase Of Stock-In Trade	0.00	0.00	3.50	0.00	16.14
Operating And Direct Expenses	18.90	8.18	6.98	1.93	0.00

Changes In Inventories Of FG, WIP And Stock-In Trade	34.18	20.88	6.32	-40.31	-28.37
Employee Benefit Expenses	188.33	186.36	169.40	168.21	195.15
Finance Costs	12.21	14.86	9.97	0.80	0.50
Depreciation And Amortisation Expenses	31.18	27.46	27.49	19.27	18.65
Other Expenses	62.85	134.72	150.70	153.86	144.24
Total Expenses	2,669.71	2,067.60	1,992.85	1,828.56	1,663.53
	March 2022	March 2021	March 2020	March 2019	March 2018
Profit/Loss Before Exceptional, ExtraOrdinary Items And Tax	411.03	410.23	63.68	184.12	86.08
Profit/Loss Before Tax	411.03	410.23	63.68	184.12	86.08
Tax Expenses-Continued Operations					
Current Tax	99.59	110.28	23.77	43.58	21.83
Less: MAT Credit Entitlement	0.00	0.00	0.00	0.00	3.21
Deferred Tax	-1.97	-1.22	-4.69	28.68	0.87
Tax For Earlier Years	0.00	0.00	1.12	0.00	-14.89
Total Tax Expenses	97.63	109.07	20.20	72.26	4.61
Profit/Loss After Tax And Before ExtraOrdinary Items	313.41	301.17	43.48	111.86	81.48

Profit/Loss From Continuing Operations	313.41	301.17	43.48	111.86	81.48
Profit/Loss For The Period	313.41	301.17	43.48	111.86	81.48
	March	March	March	March	March
	2022	2021	2020	2019	2018
OTHER ADDITIONAL INFORMATION					
EARNINGS PER SHARE					
Basic EPS (Rs.)	5.16	4.87	0.70	1.78	1.28
Diluted EPS (Rs.)	5.16	4.87	0.70	1.78	1.28
VALUE OF IMPORTED AND INDIGENIOUS RAW MATERIALS					
Imported Raw Materials	0.00	0.00	198.76	102.05	184.66
Indigenous Raw Materials	0.00	1,476.90	1,182.86	1,185.68	920.37
STORES, SPARES AND LOOSE TOOLS					
Imported Stores And Spares	0.00	40.97	62.88	127.05	38.79
Indigenous Stores And Spares	0.00	115.73	118.19	67.70	111.39
DIVIDEND AND DIVIDEND PERCENTAGE					
Equity Share Dividend	159.23	43.53	82.72	50.13	17.13
Tax On Dividend	0.00	0.00	17.00	10.30	3.49
Equity Dividend Rate (%)	18.00	16.00	7.00	13.00	11.00

RATIO ANALYSIS

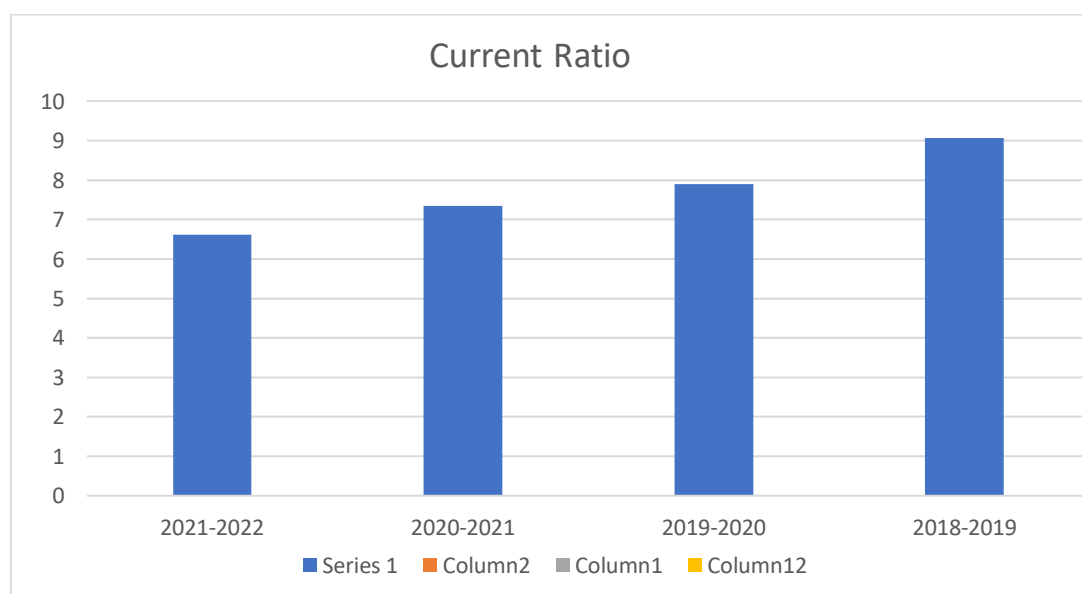
1.Liquidity Ratios

a. Current Ratio

The current ratio is a liquidity ratio that measures a company's ability to pay short-term obligations or those due within one year.

$$\text{Current ratio} = \text{current assets/current liabilities}$$

YEAR	CURRENT RATIO
2022	6.62
2021	7.34
2020	9.06
2019	9.78



INTERPRETATION:

The current ratio is a liquidity ratio that measures a company's ability to pay its short-term obligations with its current assets. A current ratio of greater than 1 means a company has enough current assets to cover its current liabilities, while a ratio less than 1 indicates that the company may have trouble meeting its short-term obligations. The current ratios for the four years indicate that the company's liquidity has slightly decreased over the years, with the highest ratio being 9.78 in 2019 and the lowest being 6.62 in 2022

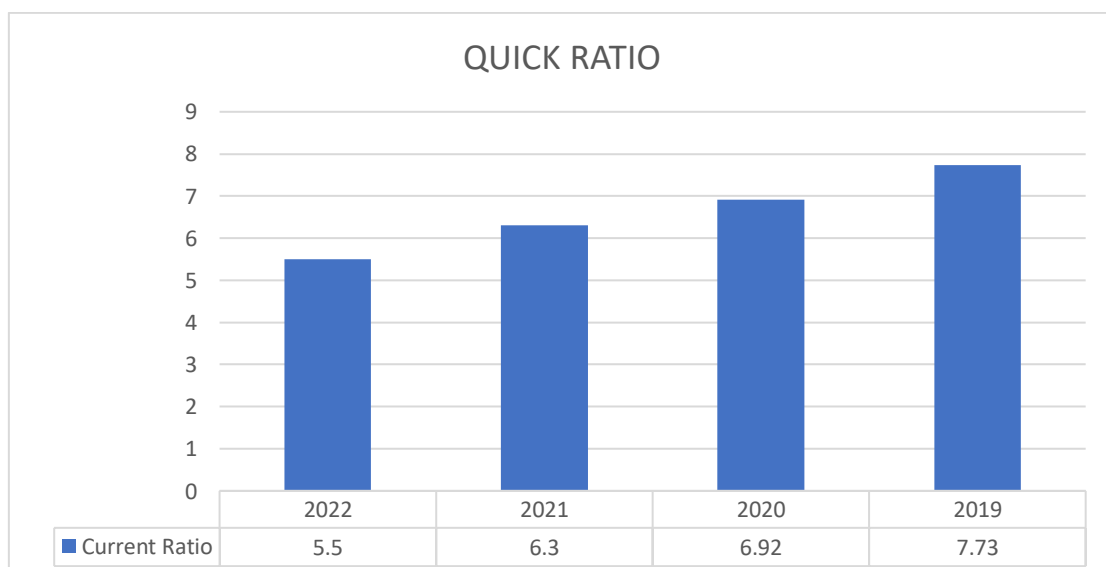
b. Quick Ratio

The Quick ratio is sometimes called "Acid Test Ratio". This ratio helps in calculating the firm's ability to meet its current obligations with the readily convertible quick funds on hand.

Quick Ratio or Acid test Ratio=Quick Assets/current liability

Where, Quick Assets - Current Assets-Inventories-Prepaid Expenses

YEAR	QUICK RATIO
2022	5.50
2021	6.30
2020	6.92
2019	7.73



INTERPRETATION

A quick ratio greater than 1 indicates that a company has enough liquid assets to cover its current liabilities, while a ratio less than 1 suggests that the company may have trouble paying off its short-term obligations. The quick ratios for the four years indicate that the company's liquidity has slightly decreased over the years, with the highest ratio being 7.73 in 2018-2019 and the lowest being 5.50 in 2022.

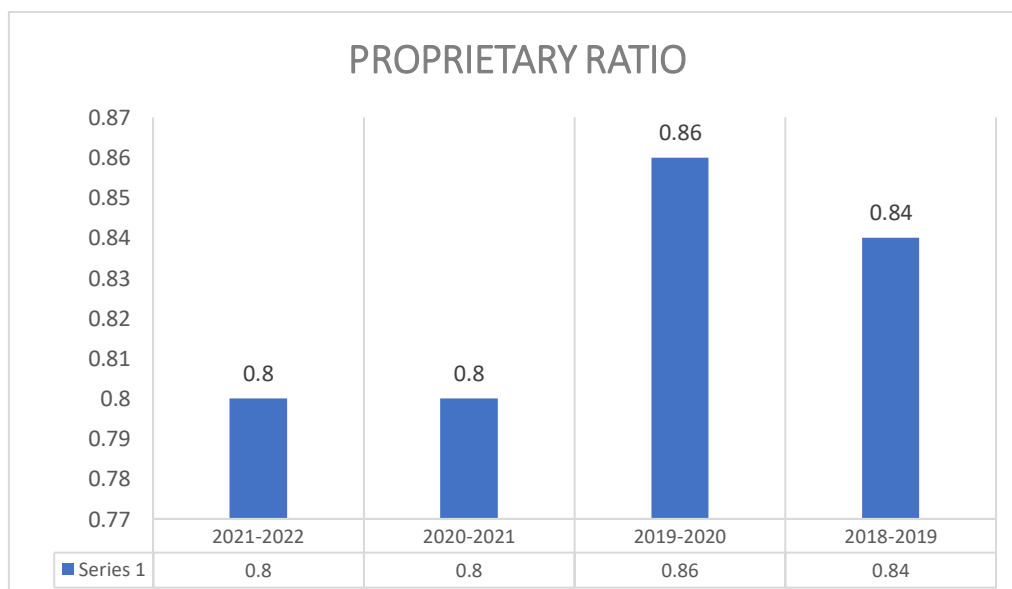
Proprietary Ratio:

The proprietary ratio (also known as the equity ratio) is the proportion of shareholders' equity to total assets, and as such provides a rough estimate of the amount of capitalization currently used to support a business.

$$\text{Proprietary ratio} = \text{proprietary fund} / \text{total assets}$$

Where, Proprietary Fund - Capital + Reserves and Surplus

YEAR	PROPRIETARY RATIO
2022	0.80
2021	0.80
2020	0.86
2019	0.84

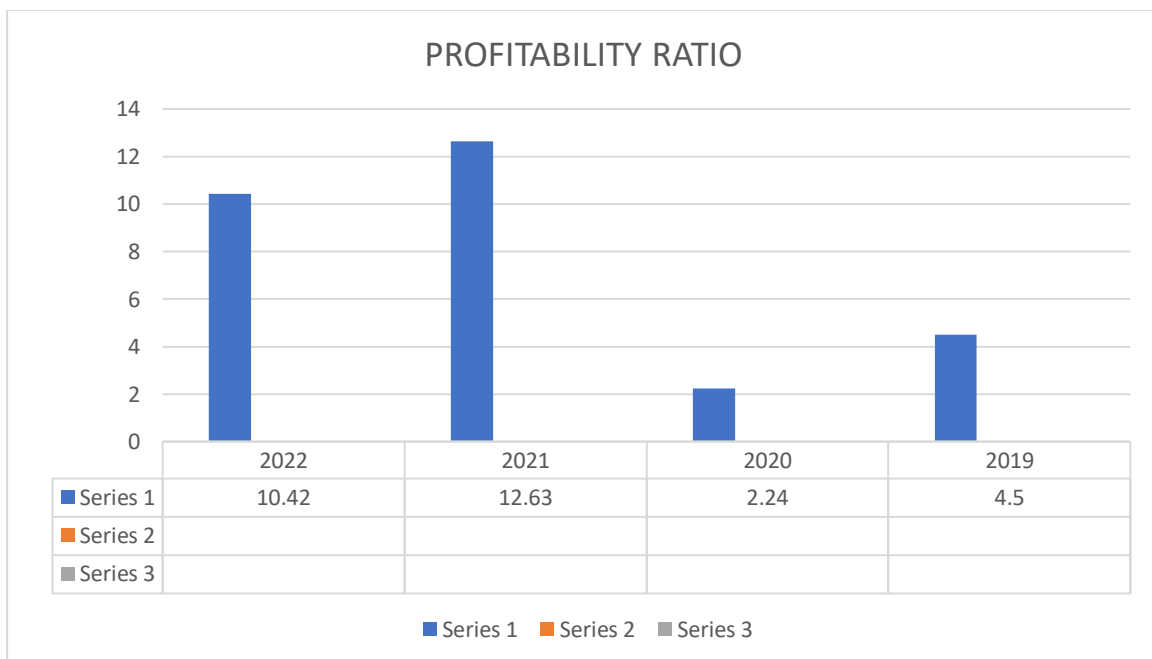


INTERPRETATION

The proprietary ratios for the four years indicate that the proportion of the company's assets funded by its own resources has remained relatively stable, with the highest ratio being 0.86 in 2019-2020 and the lowest being 0.80 in both 2021-2022 and 2020-2021.

PROFITABILITY RATIO

YEAR	PROFITABILITY RATIO
2022	10.42
2021	12.63
2020	2.24
2019	5.92

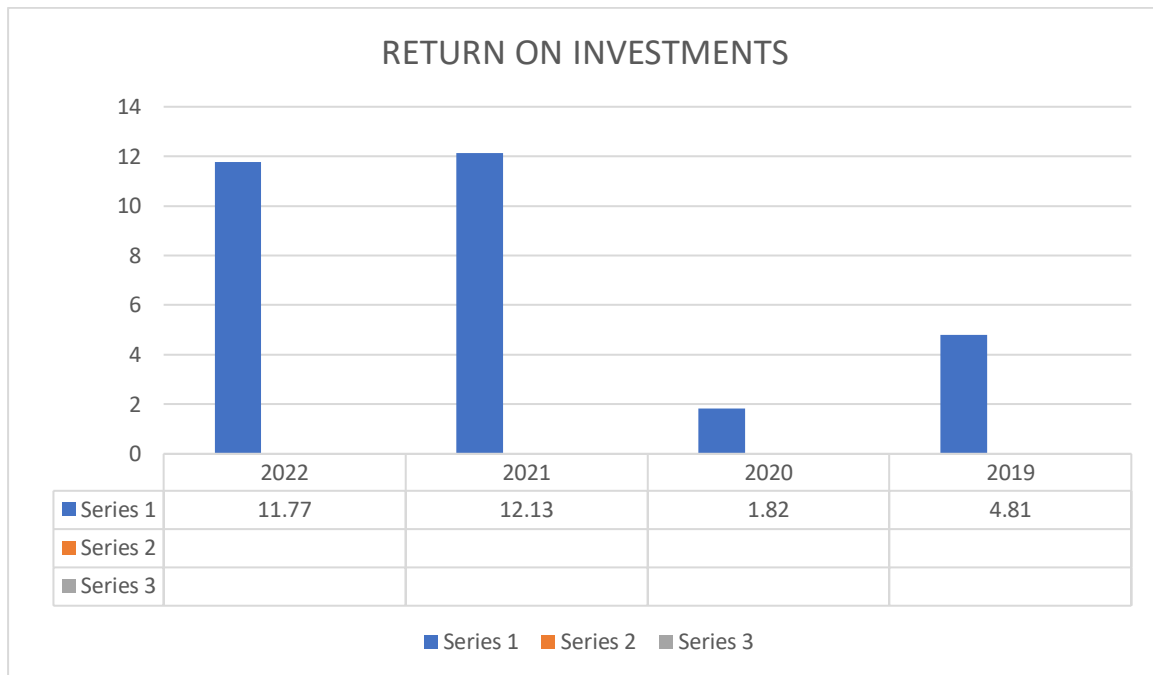


INTERPRETATION

A high net profit margin indicates that a company is effectively controlling its costs and generating profits, while a low net profit margin indicates that a company is having trouble generating profits from its operations. The net profit margins for the four years indicate that the company's profitability has been inconsistent over the years, with the highest margin being 12.63 in 2021 and the lowest being 2.24 in 2020.

RETURN ON ASSETS

YEAR	RETURN ON ASSETS
2022	11.77
2021	12.13
2020	1.82
2019	4.81

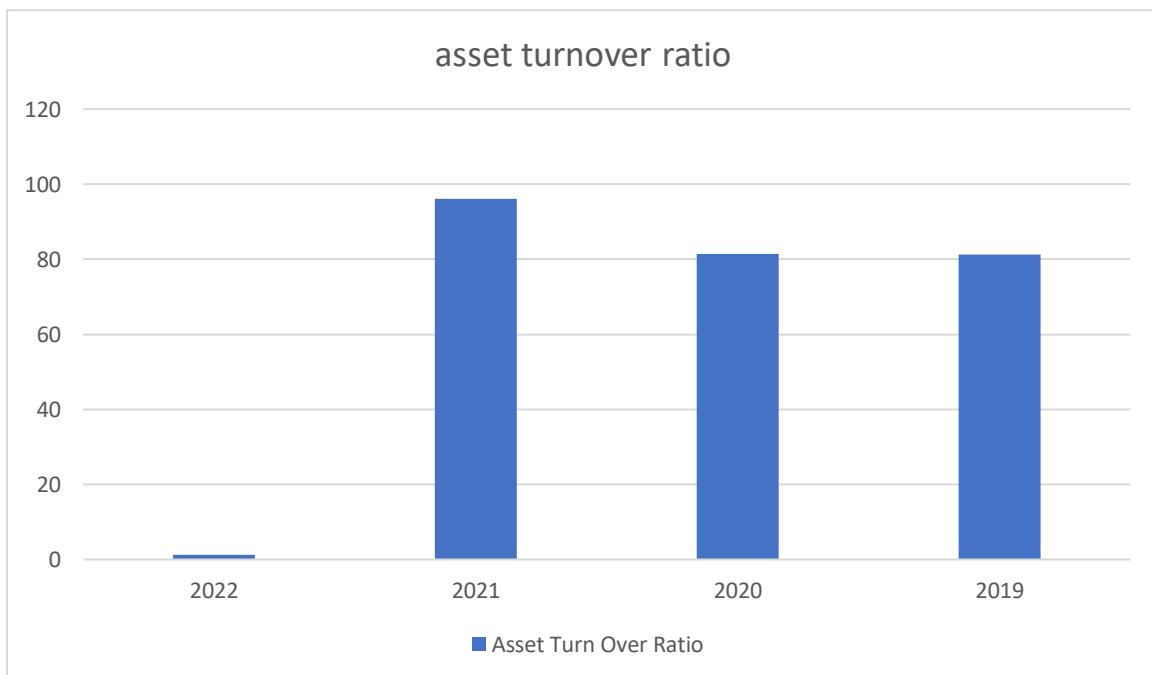


INTERPRETATION

Return on assets (ROA) is a profitability ratio that measures the efficiency with which a company uses its assets to generate profits. It is calculated as net profit divided by total assets. A high ROA indicates that a company is generating a high return on its assets, while a low ROA indicates that a company is not efficiently using its assets to generate profits. The ROAs for the four years indicate that the company's profitability has been inconsistent over the years, with the highest ROA being 12.13 in 2021 and the lowest being 1.82 in 2020.

ASSET TURNOVER RATIO

YEAR	ASSET TURNOVER RATIO
2022	1.17
2021	96.03
2020	81.35
2019	81.26

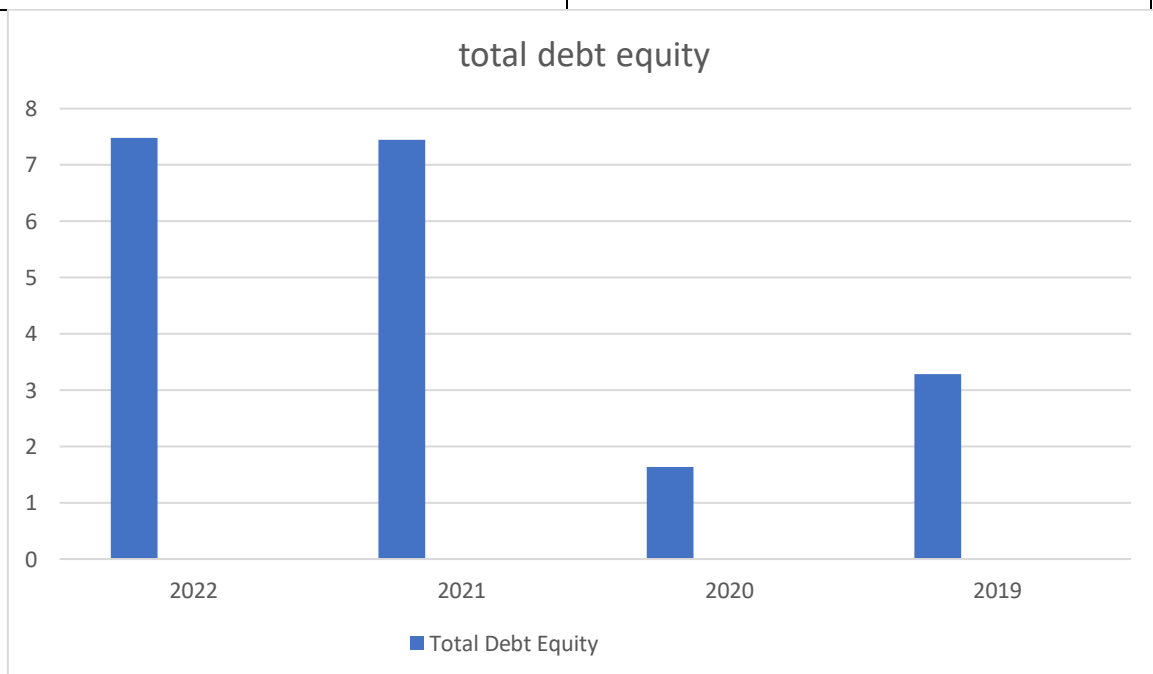


INTERPRETATION

The asset turnover ratios for the four years indicate that the company's asset utilization has been inconsistent over the years, with the highest ratio being 96.03 in 2021 and the lowest being 81.26 in both 2019 and 2020. However, the asset turnover ratio in 2022 of 1.17 seems to be an unusual value. It is possible that there was a mistake in the calculation or data input,

Total Debt/Equity

YEAR	TOTAL DEBT/EQUITY
2022	7.48
2021	7.45
2020	1.63
2019	3.28



INTERPRETATION

In the given table, the debt-to-equity ratio has increased over the past year from 7.45 in 2021 to 7.48 in 2022. This indicates that the company has taken on more debt relative to its equity, which may be a cause for concern as it suggests the company is becoming more leveraged and may face higher financial risk. In contrast, the debt-to-equity ratio was much lower in 2020, indicating that the company was less leveraged at that time.

CHAPTER-6

LEARNING EXPERIENCE

The Study discusses briefly on Mining and Iron Ore Industry, Profile of KIOCL Ltd, KIOCL which was Asia's largest iron ore mining and Palletisation complex and the country's biggest percent export-oriented unit engaged in the business of exporting high quality iron oxide pellets and pig iron, due to various reason it is not able generate same amount of revenue for last couple of years. But from the finding of the study undertaken, it can be sated that KIOCL has got the managerial capability to revive itself from the downside it has seen for last couple of years. Even though it has to look for some kind of partnership from outside, it is always worth for a company like KIOCL to regain investor confident as well as substantial market share in the business once it was unquestioned leader. This is possible with the changes that we have seen in last couple years as to how Indian firm have become global players in their field of business. Respective

The training at KIOCL Ltd. for four weeks has been a fantastic experience and very well informed for us. It helped us comprehend the practical approaches of the theoretical concepts that we have studied in college. It also furthered our interest and enthusiasm in Accounts sector in future. We have learnt about various accounting entries and how to apply it and their functioning. And it has helped us be aware and informed with latest trends in the accounting system.

The whole experience has greatly inspired us and will go a long way in improving our professional competency in our career. An Organisation study in a company will help find answers to many questions. We hope to make the best utilization of the opportunity and knowledge imparted on us and help our society and country.

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