

44th ANNUAL REPORT

2019-20



*Transforming
Miniratna to Navaratna*

KIOCL Limited

(A Government of India Enterprise)
CIN:L13100KA1976GO1002974

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Sri MV Subba Rao, CMD was felicitated for his outstanding contribution for the growth of PSU by Dr. Ajay Dua, former Secretary, Ministry of Commerce and Industry on 29/08/2019 at 9th PSE Excellence Awards organized by Indian Chamber of Commerce, New Delhi.

Sri MV Subba Rao, CMD conferred with the prestigious Leadership Innovation Excellence Award & a Certificate of Achievement from the Institute of Economic Studies. The award was presented by Sri Jagadish Shettar, Minister of Large & Medium Scale Industries, Govt. of Karnataka on 06/03/2020.



Sri Arjun Ram Meghwal, Hon'ble Union Minister of State for Parliamentary Affairs and Heavy Industries & Public Enterprises, conferred the prestigious Governance Now PSU award in the category Resilient Growth (Turnaround).

TABLE OF CONTENTS

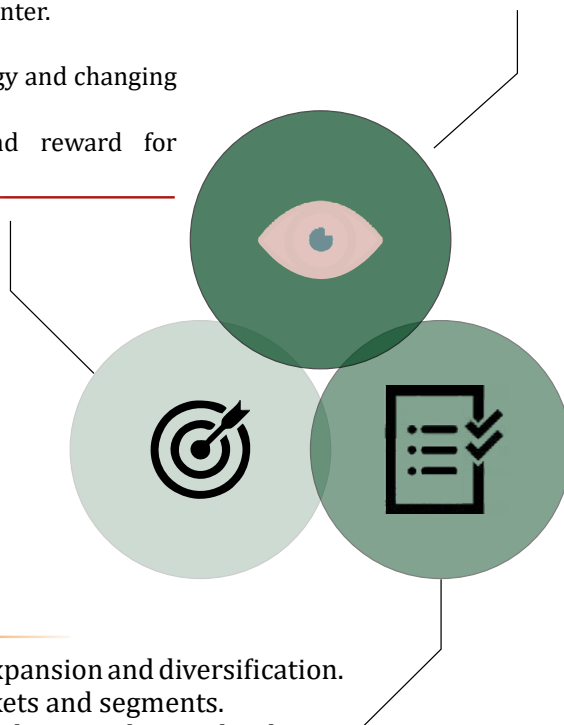
SL. No.	Description	Page No.
1.	Board of Directors	03
2.	Corporate Information	05
3.	Ten years at a Glance	06
4.	Message from Chairman-cum-Managing Director	08
5.	Board's Report	10
6.	Report on Corporate Social Responsibility	30
7.	Report on Corporate Governance	33
8.	Management Discussion and Analysis Report	48
9.	Conservation of Energy, Technology Absorption and Foreign Exchange Earning & Outgo	53
10.	Extract of Annual Return (MGT-9) - as on the Financial Year ended 31/03/2020	54
11.	Annual Report on Corporate Social Responsibility Activities	59
12.	Business Responsibility Report	64
13.	CEO/CFO Certification	72
14.	Compliance with Code of Conduct	72
15.	Secretarial Audit Report (Form No MR-3)	73
16.	Corporate Governance Compliance Certificate	76
17.	Certificate of Non-Disqualification of Directors	77
18.	Independent Auditor's Report	78
19.	Comments of C&AG of India	87
20.	Balance Sheet	88
21.	Statement of Profit & Loss Account	89
22.	Cash Flow Statement	90
23.	Notes to Financial Statement	102
24.	Segment Reporting	125
25.	Notice - 44 th Annual General Meeting	126
26.	KIOCL Offices	139

Mission

- Lasting relations with customers and Vendors to ensure smooth supply chain based on trust and mutual benefit.
- Business with ethics & integrity.
- To thrive to improve the socio-economic condition in the neighborhood of Company's production center.
- Continuous learning.
- Adaptability to Technology and changing Global Scenario.
- Growth, recognition and reward for employees.

Vision

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



Objectives

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



Vision
Mission &
Objectives

OUR CORE VALUES

CUSTOMER FOCUSED CULTURE	INTEGRITY	TEAM WORK	RESPECT	EXCELLENCE	OWNERSHIP
We continuously strive to provide security & achieve customer satisfaction.	We are sincere, kind, fair and just in all our dealings with everyone.	We achieve mutual growth by respecting one another's individuality & by sharing knowledge & ideas.	We treat people how we wish to be treated ourselves.	We continue to make effort for improvement of performance standards & capability building for sustained long-term success.	We take ownership, create understanding & develop solutions by communicating with date & transparency.

LEADERSHIP AT KIOCL - BOARD OF DIRECTORS

FUNCTIONAL DIRECTORS



Sri MV Subba Rao
Chairman-cum-Managing Director



Sri S K Gorai
Director (Finance)



Sri T Saminathan
Director (Commercial)



Sri KV Bhaskara Reddy
Director (P&P) (w.e.f. 01/03/2020)



Sri N Vidyananda
Director (P&P) (upto 29/02/2020)

GOVT. NOMINEE DIRECTORS



Sri Vijoy Kumar Singh
Addl. Secretary & Financial Advisor
Ministry of Steel (w.e.f 17/03/2020)



Sri T. Srinivas
Joint Secretary
Ministry of Steel



Sri Saraswati Prasad
Special Secretary & Financial Advisor
Ministry of Steel (upto 22/01/2020)



Dr. Rohit Yadav
Joint Secretary, Ministry of Steel
(w.e.f 22/01/2020 upto 25/02/2020)

INDEPENDENT DIRECTORS



Sri Jagdish P Joshi



Sri Nirmalendu Mohapatra
(w.e.f 21/10/2019)



Sri Ranjit Sreenivas
(w.e.f 21/10/2019)



Sri G Ramasamy
(w.e.f 07/12/2019)



Sri Madhav Lal
(upto 25/11/2019)



Dr. Deepika Sharma
(upto 30/01/2020)

BOARD SUB-COMMITTEES

AS ON 18/05/2020

AUDIT

Sri Jagdish P. Joshi, Chairman
 Sri G. Ramasamy, Member
 Sri Ranjit Sreenivas, Member
 Sri T. Saminathan, Member
 Sri S. K. Gorai, Permanent Invitee

CORPORATE SOCIAL RESPONSIBILITY

Sri Nirmalendu Mohapatra, Chairman
 Sri S. K. Gorai, Member
 Sri K.V. Bhaskara Reddy, Member

STAKEHOLDERS RELATIONSHIP

Sri G. Ramasamy, Chairman
 Sri Jagdish P. Joshi, Member
 Sri Ranjit Sreenivas, Member
 Sri T. Saminathan, Member
 Sri K.V. Bhaskara Reddy, Member

NOMINATION & REMUNERATION

Sri Nirmalendu Mohapatra, Chairman
 Sri Jagdish P. Joshi, Member
 Sri G. Ramasamy, Member
 Sri M. V. Subba Rao, Member

RISK MANAGEMENT

Sri Ranjit Sreenivas, Chairman
 Sri S. K. Gorai, Member
 Sri T. Saminathan, Member
 Sri K.V. Bhaskara Reddy, Member
 Sri Ram Gopal. G, Risk Officer – Ex-Officio Invitee

INVESTMENT, PROJECT APPRAISAL & MONITORING

Sri Jagdish P. Joshi, Chairman
 Sri S. K. Gorai, Member
 Sri T. Saminathan, Member
 Sri K.V. Bhaskara Reddy, Member



[5th International Yoga Day celebrated at KIOCL Corporate Office on 21/06/2019.]

CORPORATE INFORMATION

COMPANY SECRETARY

Sri P. K. Mishra

LISTED AT

NSE

Exchange Plaza,
C-1, Block G,
BKC, Bandra (E)
Mumbai - 400 051
Stock Code: KIOCL

BSE

25th Floor, P.J. Towers,
Dalal Street,
Fort,
Mumbai - 400 001
Scrip Code: 540680

MSEI

Vibgyor Towers, 4th Floor,
Plot No.C 62, G-Block,
BKC, Bandra (E),
Mumbai - 400 098
Stock 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,
Malleshwaram, Bengaluru - 560 003
Tel No.: 080 2346 0815 - 818
Fax No.: 080 2346 0819
Email: irg@integratedindia.in

OUR BANKERS

Union Bank of India
IndusInd Bank
State Bank of India
Yes Bank
Kotak Mahindra Bank
IDBI Bank
ICICI Bank

OUR CREDIT RATING AGENCY

ICRA Limited
3rd Floor, Electric Mansion
Appasaheb Marathe Marg, Prabhadevi,
Mumbai - 400 025

OUR AUDITORS

STATUTORY AUDITOR

M/s. Anand & Ponnappan
Flat C, I Floor,
Rophini Manor Apts, II Main
I Cross, No. 187, SGS Palya,
Main Road, CV Raman Nagar,
Bengaluru - 560 093

INTERNAL AUDITOR

**M/s Manohar Chowdhry
& Associates**
Chartered Accountants,
#71, 2nd Floor, 8th Main,
2nd Block, Jayanagar,
Bengaluru - 560 011

COST AUDITOR

M/s. PKR & Associates LLP
Cost Accountants
Plot No. 440, HMT Hills,
near Ramalayam Temple,
Kukatpally,
Hyderabad - 500 085

SECRETARIAL AUDITOR

Sri S. Viswanathan
Company Secretary in
Practice,
Flat 'B', Susheel Chandra,
Apartments,
17th 'A' Cross, 10th 'A' Main,
Malleshwaram,
Bengaluru - 560 055

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

10 YEARS AT A GLANCE

Quantity in ' 000 Dry Metric Tonnes/ ₹ in lakhs

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Production (quantity)										
a) Pellets	2375	2238	2327	1460	100	785	1710	1265	1710	2124
b) Pig Iron	-	-	-	-	-	-	-	-	-	-
Capacity Utilisation (%)										
a) Pellets	68	64	66	42	3	22	49	36	49	61
b) Pig Iron	-	-	-	-	-	-	-	-	-	-
Sales (quantity)										
a) Pellets	2356	2206	2301	1387	409	680	1615	1236	1716	2090
b) Pig Iron	3	2	3	-	-	1	2	4	10	20
Total Sales (US \$ Million) *	265.71	261.06	241.07	128.68	29.82	102.57	-	-	315.59	385.03
Export Sales (US \$ Million)*	222.45	178.45	148.93	75.95	10.74	12.14	-	-	93.16	164.73
DTA Sales (US \$ Million) *	43.26	82.61	92.14	52.73	19.08	90.43	-	-	222.43	220.31
Total Sales (in ₹ Lakhs) **	188417	182877	157015	86753	19980	62884	153237	115912	152108	180346
Export Sales (in ₹ Lakhs)	157413	124698	99959	51751	7217	7391	-	-	41818	74727
DTA & Indigenous Sales (in ₹ Lakhs)**	31004	58179	57056	35002	12763	55493	153237	115912	110290	105619
Gross Margin from operation	(1845)	8610	(3483)	(9133)	(22358)	(11535)	(5037)	(6847)	3252	7026
Income earned from Deposits / Mutual Funds etc.	10923	11692	12503	14393	15618	17508	15663	14439	13511	9230
Profit on sale of assets	39	37	1454	64	24	63	4	7	4	5
Interest paid	-	-	-	-	-	-	-	-	-	-
Cash Profit	9117	20339	10474	5324	(6716)	6036	10630	7599	16767	16261
Depreciation & DRE	2749	1927	1865	2202	2251	3209	4232	4322	4090	3707
Profit before Prior period adjustment/extraordinary items	6368	18412	8609	3122	(8967)	2827	6398	3277	12677	12554
Prior period adjustment/extraordinary items	-	-	-	-	-	299	(258)	(43)	(1138)	(2559)
Profit before Tax (PBT)	6368	18412	8609	3122	(8967)	3126	6140	3234	11539	9995
Profit after Tax (PAT)	4348	11186	8148	4793	(8015)	3082	3994	3105	9430	7627
Dividend -to Government ***	4312	8194	6659	2324	-	628	816	628	1884	1570
- to others ***	42	78	67	24	-	6	8	6	19	16
- Dividend Tax	-	1700	1369	481	-	127	140	108	316	263
- % of Share Capital	7.00	13.30	10.60	3.70	-	1.00	1.30	1.00	3.00	2.50
Transfer to General Reserve	-	-	-	1964	(8015)	2321	3029	2362	7210	5778
Paid-up Capital	62193	62193	63451	63451	63451	63451	63451	63451	63451	63451
No of shipments (Despatch)	44	42	44	26	7	15	42	24	38	44
Value added	28605	37314	28403	18552	3431	23095	29987	23530	33171	43848
No. of employees	805	841	888	922	938	947	957	1251	1319	1347
Value added per employee	35.53	44.37	31.99	20.12	3.66	24.39	31.33	18.81	25.15	32.55
Value added per Rupee payment to employee	1.69	2.22	1.46	1.24	0.29	1.75	1.98	1.52	2.33	3.43

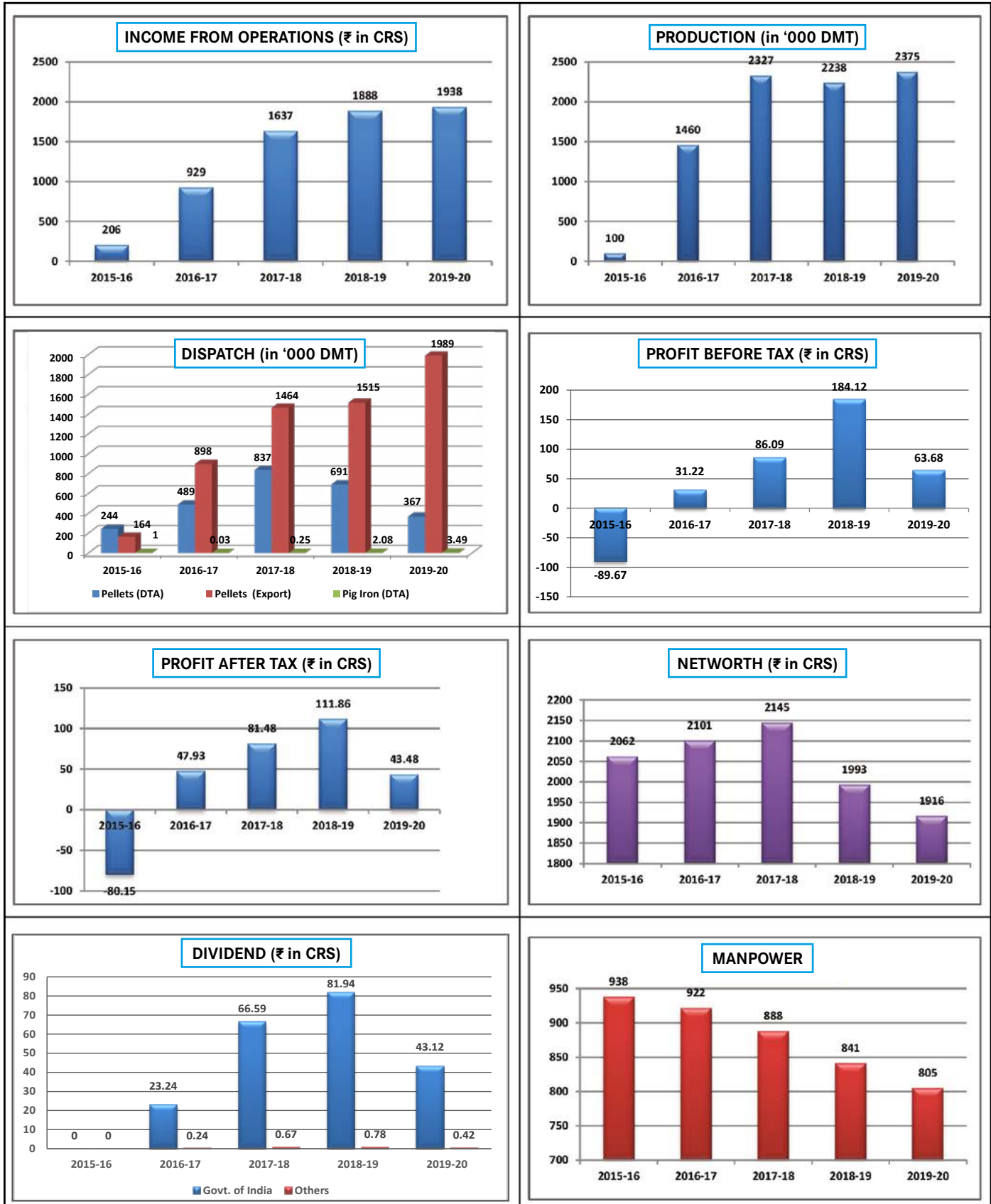
Pellets includes Pellet Fines

Pig Iron includes Auxiliary material

* Value in Foreign Exchange relates to Pellet plant (Export Oriented Unit)

** Value in Rs lakhs include sale of Pig Iron in Indigenous market.

FIVE YEARS AT A GLANCE



MESSAGE FROM THE CHAIRMAN-CUM-MANAGING DIRECTOR



Dear Shareholder Family,

It is my pleasure to share with you the results for the Financial Year 2019-20. The COVID-19 Pandemic is an unprecedented global health crisis, and its impact is likely to dominate global markets and policymakers' attention at least in the near term.

Despite this, your company was able to achieve record turnover of ₹ 2056.53 crores, which is highest since inception as against ₹2012.68 crores in the Financial Year 2018-19, registering a growth of 2%.

The COVID-19 pandemic did have an impact on the year. Since the outbreak of Pandemic, International market for iron ore Pellet was under severe pressure as manufacturing and economic activities across the globe is affected. Pellet sales by KIOCL during the quarter Jan - Mar 2020 stood at 5.96 lakh tons against 7.66 lakh tons in the corresponding period of financial year 2018-19 down by about 22%. The sales target for the quarter Jan - Mar 2020 was at 7.00 lakh tons. Lockdown imposed across the country, resulted in difficulties in timely collection and negotiation of shipping / sales documents through banks for realisation of sales proceeds. Plant Production were also affected due to the restrictions imposed on operations and deployment of manpower. However, the Company could overcome the hindrances by reorganizing the requirements to cope with the situation and effectively encountered the temporary setback. Despite all, our commitment towards sustainable growth of the Company was consistent.

Preventive Measures to contain spread of COVID-19

Your company followed all the directives issued by Central as well as State Government's from time to time and has been vigilant in taking various preventive measures including routine checking of its employees and other entrants through thermal screening, oximeter devices, conducting regular sanitization at work place, maintaining social distancing, staggered timings at Canteen and work on rotation basis wherever possible, to contain the spread of COVID-19. These initiatives have resulted in keeping Company and its stakeholders safe, to the extent possible.

Key Performance Highlights

Let me share the key performance highlights for the FY 2019-20. Your Company has:

- Produced 2.375 Million Tons and dispatched 2.356 Million Tons of Pellets; highest since closure of captive mine at Kudremukh.
- Exported 1.99 Million Tons of Pellets for a value of ₹1574.13 Crores; highest since closure of captive mine at Kudremukh.
- Profit before Tax of ₹ 63.68 Crores, Profit after Tax of ₹43.48 Crores.
- Entered into exploration of minerals activities and received orders for ₹ 105 Crores from Gol and GoK.
- Proposed to pay a total dividend of ₹ 43.54 crores for the FY 2019-2020, which is 7% on the Paid-up Equity Share Capital of the Company, subject to approval of shareholders.

Other major achievements / activities

During the year, your Company has:-

- Received Government approval for Ductile Iron Spun Pipe (DISP) (0.2 MTPA), Non-Recovery Coke Oven Plant (0.18 MTPA) with Cogen Captive Power Plant (10MW) with an estimated project cost of ₹ 836.90 crores. The finished product i.e. Ductile Iron spun pipes can be utilized in drinking water supply and sanitation in Smart City Mission of the Country;
- Entered into agreement with Dept. of Mines & Geology, Govt. of Karnataka on 6th November 2019 for carrying out Mineral Exploration for Manganese and Iron Ores in nine (9) identified blocks in Bellary and Chitradurga Districts of Karnataka at a total estimated cost of ₹ 81.53 crores plus GST;
- 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;
- Provided with industry - relevant skill training/ certification to large number of youths who have completed Diploma to help them in securing a better livelihood, under Pradhan Mantri Kaushal Vikas Yojana (PMKVY), a flagship scheme of the Gol;
- Tied up with two premier academic institutions viz., Dayananda Sagar College of Engg. Bengaluru and National Institute of Technology, Karnataka, Surathkal for integration of Innovation & Research and knowledge sharing as per the challenges and recommendations that emerged from CPSE Conclave.

Economy & Steel Sector Scenario

India was the world's second largest steel producer in 2019. India surpassed Japan to become the world's second largest steel producer in 2019 with crude steel production of 111.2 million tonnes (Mt). In India, as per Indian Steel Association (ISA), steel demand is estimated to grow by over 7% in both, FY20 and FY21. In FY20, crude steel production and finished steel production in India was 108.5 Mt and 101.03 Mt, respectively. The Government has taken various steps to boost the sector including the introduction of National Steel Policy 2017 and allowing 100 per cent Foreign Direct Investment (FDI) in the steel sector under the automatic route. The Government's National Steel Policy 2017 aims to increase the per capita steel consumption to 160 kgs by 2030-31. The Government has also promoted policy which provides a minimum value addition of 15% in notified steel products covered under preferential procurement.

Creating KIOCL of tomorrow

Your Company is poised for a sustainable future overcoming its inherent challenges of single product and plant location away from mine head and consumer locations.

Being a zero debt Company with satisfactory equity base and pool of technical manpower, your Company has envisaged a CAPEX of about ₹ 3553 Crores towards various long term / short term expansion / diversifications.

CSR initiatives & Contribution to PM-CARES Fund

In FY'20, your Company spent ₹ 3.31 crores for its various CSR programs with target areas spanning from Education, Promotion of Sports, Clean Drinking Water, Health Care and Development of aspirational District etc. Your Company had contributed ₹10.10 crores to PM CARES Fund to strengthen the hands of Government in this testing time, of which ₹ 2.10 crores were paid on 31st March 2020 out of CSR Budget for Financial Year 2019-20 and balance ₹ 8.00 Crores were paid on 2nd April 2020 from CSR budget for Financial Year 2020-21. Employees of your Company also donated one day salary amounting to ₹ 23.72 lakhs

to PM CARES Fund. Further, ₹ 15.00 Lakhs was contributed by your Company to the Karnataka CM Relief Fund to fight against COVID-19 pandemic. Your Company also contributed one truck load of Rice, Masks, Sanitiser, Free Food, Grocery etc to support COVID effected labours and daily wage earners.

Corporate Governance

The philosophy of your Company in relation to corporate governance is to ensure transparency, disclosures and reporting that confirms fully with the laws and regulations of the country in order to promote ethical conduct & practices throughout the organisation for enhancing stakeholders' value. Your Company is committed to comply with the provisions of SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 relating to Corporate Governance and the guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises, Government of India.

Partners on the Journey

I take this opportunity to thank the Board Members and particularly distinguished Govt. Nominee Directors and Independent Directors for providing leadership support to your Company and its employees. I would also like to thank and acknowledge the continued cooperation, trust and support of various Governments/ Regulatory authorities, Company's valued customers, suppliers, vendors, investors, bankers and shareholders.

I would like to thank our partners, our employees, and most importantly, you, our shareholders.

Your continued support and trust help to reinforce our commitment to deliver year after year.

Sd/-
M V Subba Rao
Chairman-cum-Managing Director
KIOCL Limited

BOARD'S REPORT - 2020

Dear Members,

Your Directors are pleased to present the 44th Annual Report on the business and operations of KIOCL Limited (the Company or KIOCL) along with Audited Financial Statements for the Financial Year ended March 31, 2020, together with the Auditors' Report on the Annual Financial Statements and Comments on the same by the Comptroller & Auditor General (C&AG) of India.

During the fiscal year ended on March 31, 2020 the operating results were affected negatively due to subdued activity

1. FINANCIAL RESULTS AND STATE OF COMPANY'S AFFAIRS

Particulars	₹ in crores, Except EPS)	
	FY 2020	FY 2019
Total Revenue	2,056.53	2,012.68
Revenue from Operations	1,937.65	1,887.71
Other Income	118.88	124.97
Earnings Before Interest and Tax (EBIT)	73.65	184.92
Profit Before Tax (PBT)	63.68	184.12
Tax Expense (including deferred taxes)	20.20	72.26
Profit After Tax (PAT)	43.48	111.86
Add: Other Comprehensive Income (Net of Tax)	(0.21)	10.90
Total Comprehensive Income	43.27	122.76
EPS (Basic & Diluted)	0.70	1.78
Average Networth	1,954.94	2,069.80
Average Capital Employed	2,104.38	2,204.94
Book Value per Share	30.81	32.06
Return (EBDITA) on Average Capital Employed (%)	4.81	9.26
Return on Average Net Worth (%)	2.22	5.40
Capital expenditure	21.93	17.93

COVID-19 Pandemic Impact on Business of KIOCL

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all its employees and on minimizing disruption of production activities at its Pellet Plant at Mangaluru. In view of outbreak of deadly COVID-19 in the city of Wuhan in China, the seaborne iron ore market experienced severe pressure from last week of January'20.

The Chinese New Year Holidays which were from 24th January 2020 to 30th January 2020 was extended till 3rd February 2020 due to severity of outbreak of the Corona virus. The market was volatile due to high level of uncertainty prevailing in the Chinese market. The Chinese Govt. was encouraging lesser outdoor activities and taking quarantine measures to contain spreading of the virus. It was reported that in some cities, the construction

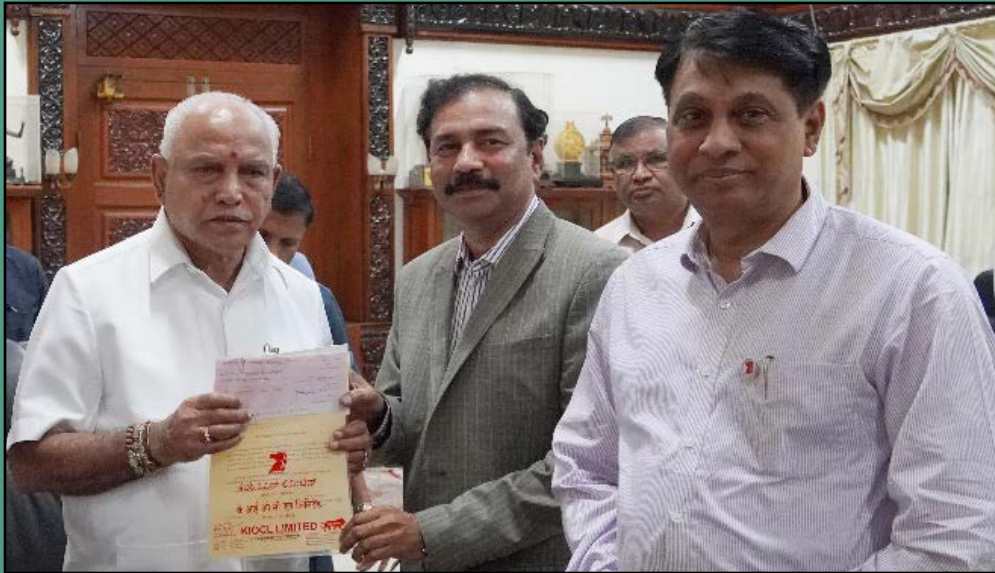
in steel sectors and uncertainty in business environment. However, despite various challenges faced, your Company, have registered yet another year of sustained performance and set new production and dispatch record by producing 2.375 Million Tons and dispatching 2.356 Million Tons of Pellets, which is an all-time high achievement after closure of Kudremukh mines since 01/01/2006.

During the Financial Year 2019-20, your Company achieved a turnover of ₹ 2056.53 crores, as against ₹ 2012.68 crores in the Financial Year 2018-19, registering a growth of 2.18%.

activities were suspended till 16th March 2020. Most Chinese steel mills required migrant workers to be self-quarantined for two weeks before returning to work, which had postponed the restart time for some mills.

As a result, the finished steel inventories were increasing and the end users were cautious in their approach and some interest were seen in procuring medium and low-grade iron ore to keep the costs lower amid uncertainty in steel market. It was reported that many of the vessel owners were reluctant to visit China due to persistence of Corona virus and with the apprehension of loss of immediate future business.

Various restrictions imposed by different countries on allowing vessels and crew who had visited China recently into their country had also added immensely to the difficulties in cargo movements. As a result, KIOCL had also faced uncertainty in the market and there had been lukewarm response to Company's efforts in selling Pellets.



[Sri MV Subba Rao, CMD & Sri S K Gorai, Director (Finance) handed over a cheque of ₹15 Lakhs to the Hon'ble Chief Minister of Karnataka for Preventing/Controlling COVID-19.]

Since the outbreak of COVID-19, International market for iron ore pellet is under severe pressure as manufacturing and economic activities across the globe are affected. As a responsible corporate, your Company has contributed to various COVID-19 relief and monitoring programs of Government of Karnataka as well as Government of India. The Company's focus on liquidity, supported by strong balance sheet and acceleration in cost optimization initiatives, would help in navigating any near-term challenges in the demand environment.

Revenues

During the year, your Company achieved an operating income of ₹ 1937.65 crores as compared to ₹ 1887.71 crores in the previous year, a growth of 2.65 % Revenue from export sales increased by 26% to ₹ 1574.13 crores from ₹ 1246.98 crores as compared to the previous Financial Year.

Your Company achieved export sales of 1.99 million tonnes of Pellets, yet again highest after closure of Captive Mines at Kudremukh against previous years export of 1.52 million tonnes. Your Company achieved 81 % of total revenue from operations through export, surpassing 'Excellent' target of MoU.

Income from Sale of Services (O&M Operations and Mineral Exploration Services) during the year was ₹ 41.30 crores

against ₹ 43.49 crores of previous year. Other Income comprising of Income from Treasury Operation and other Miscellaneous Income has decreased to ₹ 109.23 crores from ₹ 116.92 crores.

Profits

Your Company has earned a Profit Before Tax of ₹ 63.68 crores against ₹184.12 crores in the previous year, a decrease of 65.41 %. The decrease is primarily on account of reduction in contribution to ₹ 744 per ton, a reduction of ₹ 464 per ton, compared to ₹1208 per ton during the previous year. Your Company has earned Profit After Tax of ₹ 43.48 crores during the current year as compared to ₹ 111.86 crores during previous year.



[Hon'ble Steel Ministers reviewed KIOCL's performance in the presence of senior officials of Ministry of Steel & KIOCL at Udyog Bhawan, New Delhi on 11/06/2019.]

Dividend

For FY 2020, based on the Company's performance, your Directors have recommended a final dividend of ₹ 0.70 per equity share on face value of ₹ 10/- each for the year ended March 31, 2020 subject to the approval of Members at the Annual General Meeting (AGM) to be held on 29/09/2020. The final dividend on equity shares, if approved by the Members, would involve a cash outflow of ₹ 43.54 crores, a dividend pay-out of 100 percent of the profits of the Company.

The Register of Members and Share Transfer Books will remain closed from 23/09/2020 to 29/09/2020 (both days inclusive) for the purpose of payment of the dividend for the Financial Year ended March 31, 2020 and the AGM.

Liquidity

Your Company continue to maintain prudent cash flow for its smooth operation. As on March 31, 2020 there was a net cash and cash equivalent balance of ₹1530.09 crores as

against ₹1569.18 crores as on 31/03/2019. Your Company continued to maintain a zero-debt status thereby retaining its full capability for gearing the Balance Sheet, as and when need arises.

Credit Rating

During the year, your Company's credit worthiness for availing Bank Facilities was evaluated by ICRA Limited, who has assigned following Credit Rating: -

Name of Agency	Facilities	Amount (₹ in Crores)	Rating	Remarks
ICRA Ltd.	Line of Credit (LOC)	1,050	Long Term Rating: ICRA AA- (ICRA Double A Minus; Outlook: Stable) Short Term Rating: ICRA A1+ (ICRA A one plus)	Assigned

Market Capitalization - Top 500 Companies

Based on Market Capitalization as on March 31, 2020, your Company has been included amongst the top 500 listed Companies as per Market Capitalization on NSE & BSE and stands at No. 299 and 304 respectively.

MoU Performance

Performance of your Company in terms of the Memorandum of Understanding (MoU) signed with the Ministry of Steel, Government of India, was rated as "Very Good" for the Financial Year 2018-19. The MoU evaluation for the Financial Year 2019-2020 is under finalisation and is expected to achieve "Fair" rating, mainly due to subdued activity in steel sectors and uncertainty in business environment.

Particulars of Loans, Guarantees or Investments

During the year 2019-20 there was no loan, guarantee or investment made by your Company under Section 186 of the Companies Act, 2013.

Particulars of Contracts or Arrangements made with Related Parties

During the Financial Year, no transactions were entered into 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015, as such annexure AOC-2 is not furnished. There was no materially significant transactions with related parties which were in conflict with the interest of the Company. The Board had approved a Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions, which is available on the Company's Website.

Material Changes and Commitments, if any, affecting Financial Position

There was no material change / commitment occurred affecting the financial position of the Company subsequent to the financial year ended March 31, 2020 till the date of this report and there was no change in the nature of business of the Company during the year.

Disinvestment through Follow-on Public Offer

The Cabinet Committee on Economic Affairs (CCEA) had approved the disinvestment of 15% Equity Shares of your Company by Follow-on Public Offer (FPO). Accordingly, the Board of the Company at its Meeting held on 06/08/2019,

had approved Disinvestment of 15% of Paid-up Equity Share Capital of the Company by Government of India through FPO. The Department of Investment and Public Asset Management (DIPAM), Ministry of Finance had also appointed intermediaries for carrying out the FPO. To review the status of FPO, a Meeting was held on 15/11/2019 at DIPAM, Ministry of Finance and considering the pending appointment of Independent Directors by Govt. of India, it was concluded to reschedule the timelines for filing of the Draft Red Herring prospectus (DRHP), for which the Book Running Lead Manager (BRLM) would prepare a revised timeline, post appointment of requisite number of Independent Directors on the Board of the Company. Your Company had been regularly following up with Ministry of Steel for appointment of requisite number of Independent Directors.

Management Discussion and Analysis Report

The Management's discussion and analysis report is set out in this Annual Report in terms of the provisions of Regulation 34(2)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Business Responsibility Report

During the year, your Company continued to be top 500 listed companies in term of market capitalization. In compliance to Regulation 34(2)(f) of SEBI (LODR) Regulations, 2015, BRR disclosures have been integrated in the Annual Report.

2. BUSINESS AND OPERATIONAL REVIEW

Your Company produced 2.375 million tons of Pellets during the year 2019-20 in comparison to 2.238 million tons produced in the previous year. The quantity produced surpassed the "Very Good" Target of 2.300 Million tons as set out in the MoU. Your Company had sold 2.356 million tons of Pellets as against 2.206 million tons in the previous year. Out of the total quantity sold, exported quantity was 1.989 million tons which is about 84% of the total sales and balance 0.367 million tons was sold to domestic customers. However, the Pellet premium had fallen considerably during the year due to cheaper substitutes such as sinter and lumps and stiff competition.

The Blast Furnace Unit (BFU) remained under suspension in view of unviable operation. Due to uneconomic price of Pig Iron and high Coke Price, the BFU could not be restarted.

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	Utilization of installed capacity in %
2019-20	2.300	2.375	68
2018-19	2.170	2.238	64
2017-18	1.925	2.327	66
2016-17	1.300	1.460	42
2015-16	1.800	0.100	3

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

Table 2: Sales Performance

(Qty: in Million Tons, Value: ₹ In Crores)

Year	Pellets		Pig Iron		Total	
	Qty	Value	Qty	Value	Qty	Value
2019-20	2.356	1878.97	0.003	5.20	2.359	1884.17
2018-19	2.206	1,825.97	0.002	2.80	2.208	1,828.77
2017-18	2.301	1,553.09	0.003	0.40	2.304	1,553.49
2016-17	1.387	868.72	0.000	0.07	1.387	868.79
2015-16	0.409	198.45	0.001	1.35	0.410	199.80

(Note: Pig Iron includes Auxiliary)



[Drilling works carried out at UDBUR BLOCK, MYSORE (Dist), KARNATAKA allotted by Ministry of Mines, Govt for establishing Nickel and Chrome zones.]

Mineral Exploration Works

Ministry of Mines (MoM), Govt. of India has notified your Company as Exploration Entity, under second provision of sub section (1) of Section 4 of the Mines and Minerals (Development and Regulation) Act 1957. During Financial Year 2019-20, your Company handled 13 Mineral Exploration Projects with cumulative project having total approved cost of ₹127,89,93,379/- (including GST) and total revenue generation from Mineral Exploration Project works is ₹ 9,71,76,067 /- (including GST).

The details of Mineral Exploration Projects are as under: -

- Projects allotted and funded by National Mineral Exploration Trust (NMET), Ministry of Mines, Govt. of India: -

(In ₹, inclusive of GST)

Sl. No	Project	Details of works	Project Status	Total project approved cost	Claims on Expenses incurred for the completed works
1	Udbur Gold Block (UGB) (SR_KAR_07), Mysore District, Karnataka	G4 level Mineral Exploration for Gold & Associated Elements (NICKEL PHASE) over 202 sqkm:	<ul style="list-style-type: none"> Completed field works including Pitting, Trench and Scout drilling works. Petrological studies of rock samples for establishing phase of mineralization, is under progress. 	5,90,88,050/-	2,61,41,359/-
2	Neerbudhihal Limestone & Dolomite Blocks (East & West), Bagalkote, Karnataka	G4 level Mineral Exploration for Limestone and Dolomite	<ul style="list-style-type: none"> Completed Large Scale Geological mapping works and identified potential mineralization zones. Drilling works for establishing mineralization in potential zones are under progress. 	1,85,63,906/-	12,37,779/- 11,92,801/- <i>(pending for reimbursement)</i>

Sl. No	Project	Details of works	Project Status	Total project approved cost	Claims on Expenses incurred for the completed works
3	Reddipalayam Amalgamated Limestone Block - Lot 01, Ariyalur (Tq & Dist), Tamil Nadu	G3 & G2 level Mineral Exploration for Limestone	- Liaisoning works for initiating site works (Detailed Geological Mapping and Drilling) are under progress	2,62,07,494/-	Nil
Total amount				10,38,59,450/-	2,85,71,939/-

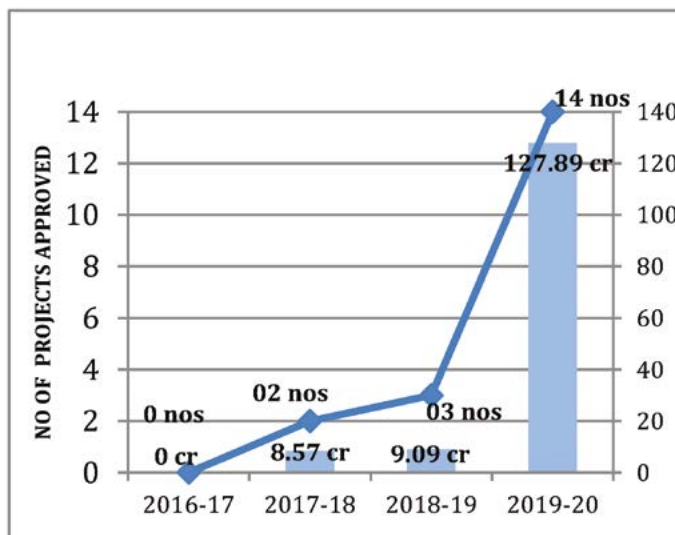
➤ Projects allotted and funded by Department of Mines and Geology, Govt. of Karnataka: -

(In ₹, inclusive of GST)

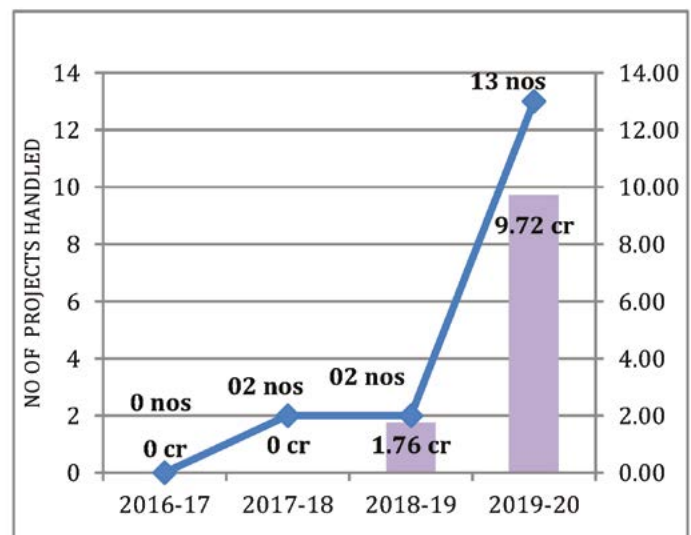
Sl. No	Project	Project Status	Total project approved cost	Claims on Expenses incurred for the completed works
1	Iron Ore and Manganese - 09 Blocks (Lot No 01 and 02) for G3 & G2 level situated in Bellary and Chitradurga Dist)	<ul style="list-style-type: none"> Detailed Geological Mapping and Topo survey works are completed. Technical Committee reviewed the works performed for 05 blocks and approved the borehole plan. Works for obtaining forest clearances for taking up drilling works through Form C submission is under progress. 	96,21,66,102/-	5,84,06,606/- <i>(pending for reimbursement)</i>
2	Haddinapade Iron Ore Block (HIOB) for G2 level situated in Bellary (Dist)	<ul style="list-style-type: none"> Completed Detailed Geological Mapping works. Topo survey and Sample Analysis works are under progress. 	21,29,56,026/-	1,01,97,522/- <i>(pending for reimbursement)</i>
Total amount			117,51,22,128/-	6,86,04,128/-

➤ Progress of Mineral Exploration Work is depicted as under: -

[Total Value of Project (In ₹, Including GST)]



[Total Revenue generated (In ₹, Including GST)]



Operation and Maintenance Portal

M/s. NMDC, Donimalai: - Your Company had taken up the Operation & Maintenance of NMDC's 1.89 mtpa Beneficiation

Plant and 1.2 mtpa Pellet Plant at Donimalai, Karnataka during August 2015 and Company's technical manpower was deployed in pre-commissioning activities, trial runs of the equipment's, etc

and the plant was successfully commissioned. However, since NMDC decided not to extend the contract beyond 31/10/2019, the Company had closed the O&M contract w.e.f. 01/11/2019

at NMDC, Donimalai. The officers and employees deployed for the said work were re-deployed at different locations of the Company.



[A view of the fabrication and installation work at M/s OMC at South Kaliapani]

M/s. OMC at South Kaliapani, Odisha State:-

M/s. OMC have awarded the work to your Company for taking up and completing the balance works and to get the plant commissioned. Total awarded contract price for the balance work is ₹ 28.60 crores plus GST and subsequently to carry out the operation and maintenance for at least five years period after commissioning. Your Company have finalized the contracts for the Civil, Structural & Mechanical and Electrical & Instrumentation jobs. The jobs are under progress and is expected to be completed by 30/11/2020.

MARKET SCENARIO

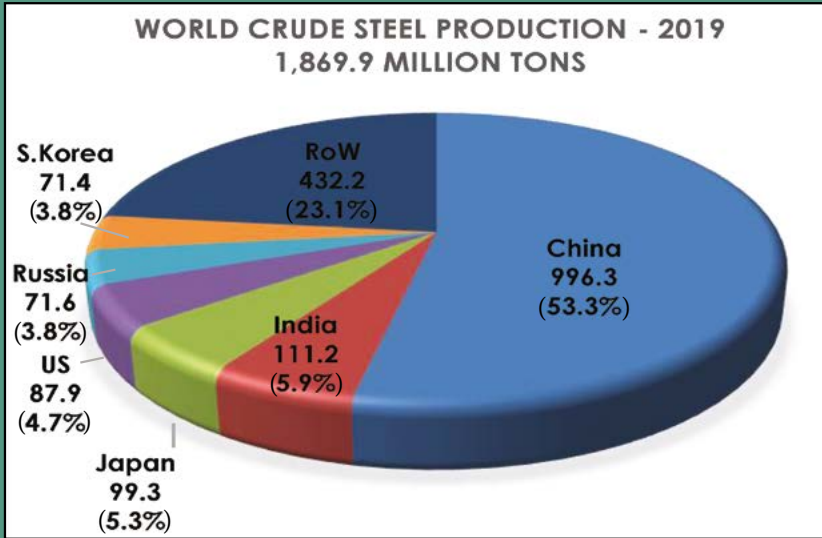
During 2019, World crude steel production reached 1,869.9 million tons, up by 3.4% compared to 2018. Crude steel production contracted in all regions in 2019 except in Asia and the Middle East. Asia produced 1,341.6 Mt of crude steel in 2019, an increase of 5.7% compared to 2018. China's crude steel production in 2019 reached 996.3 Mt, up by 8.3% in 2018. China's share of global crude steel production increased from 50.9% in 2018 to 53.3% in 2019. India's crude steel production for 2019 was 111.2 Mt, up by 1.8% on 2018 and remained the second largest producer in the world.



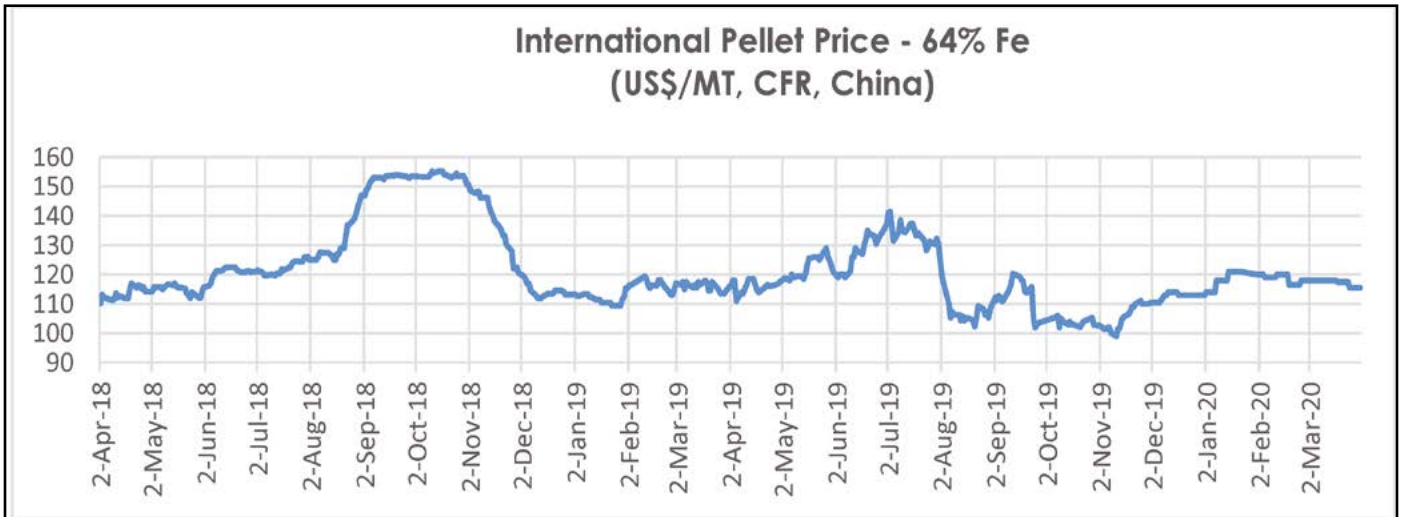
[CMD & Directors interacted with CEO, Champion Canada & Glencore at Corporate Office for new source of raw material with high Chemical composition for our Pellet Plant on 05/12/2019]

Japan produced 99.3 Mt in 2019, down by 4.8% compared to 2018. USA produced 87.9 Mt, increase by 1.5% compared to 86.6 Mt in 2018. South Korea produced 71.4 Mt of crude steel

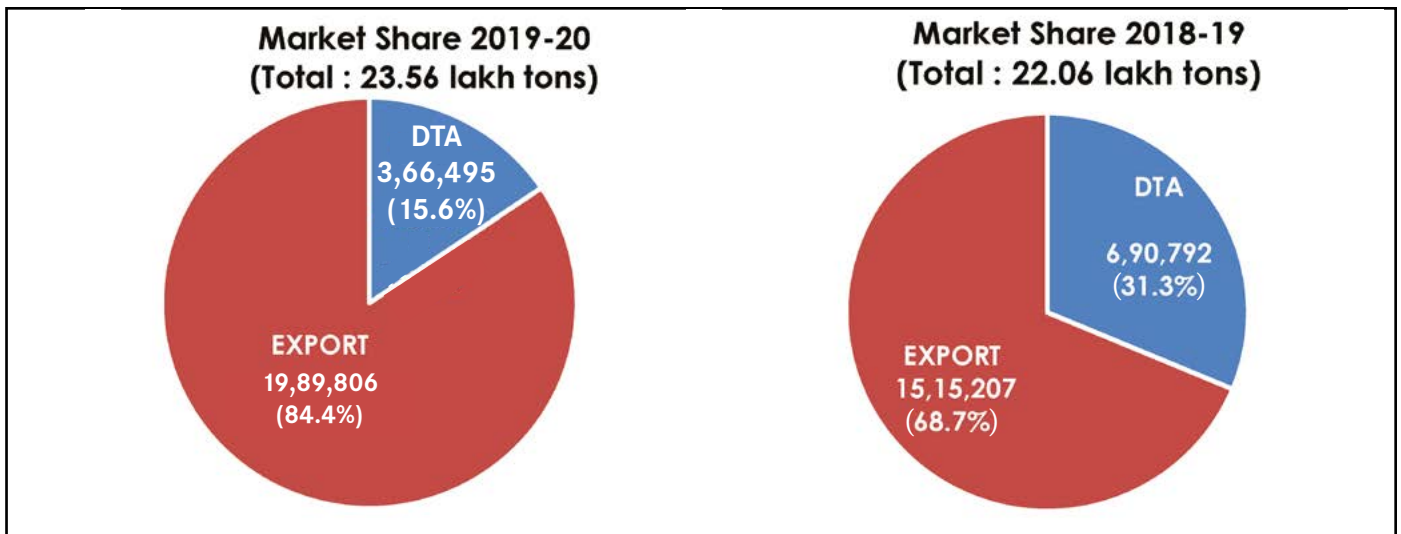
in 2019, a decrease of 1.4% compared to 2018. Middle East produced 45.3 Mt of crude steel in 2019, an increase of 19.2% in 2018.



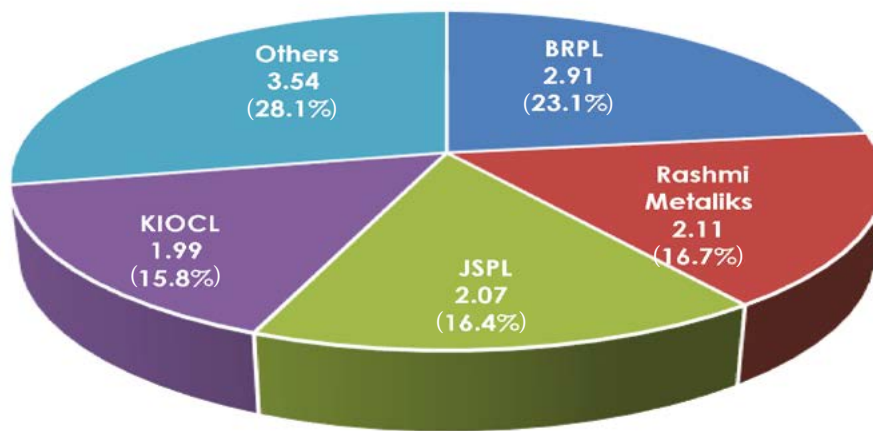
During 2019-20, seaborne pellet market witnessed a weak sentiment. European steel producers who predominantly use pellets cut down their production due to poor demand for steel. Crude steel production in Europe contracted by about 3.9%. Further crude steel production in Japan also contracted by about 4.8%. In view of the above, demand for pellets was drastically weakened and the pellet premiums tumbled by about 55% - 60% while iron ore fines market fared better than previous year. Pellet supplies meant for Europe, Japan etc. were diverted to China creating further pressure on pellet prices. The average pellet prices fell by about 7% y-o-y.



During the year 2019-20, domestic sale of pellets fell by about 46.4% y-o-y due to poor demand. Share of domestic sales in the total sales contracted to 15.6% from 31.3% during the previous year.



Indian Pellet Exports 2019-20 : 12.62 Mt



KIOCL is making all efforts to diversify its market base and minimize dependence on few markets. During the year about 43% of the total exports made were to markets other than China and Middle East alone contributed for 29.3 % of total exports, which was 10% during the previous year. Pellet exports from India stood at about 12.62 million tons during 2019-20. KIOCL with export volume of 1.99 million tons is the 4th largest exporter.

CAPEX AND GROWTH PLAN

For long term sustainability / viability of your Company in the competitive market environment and forwards consistent steady growth, your Board made the following efforts: -



[KIOCL stall was inaugurated by Sri Prahalad Joshi, Hon'ble Minister for Mines, Coal and Parliamentary Affairs, Govt of India on 12/09/2019 at Mining Mazma-2019.]

Commencement and Development of Devadari Iron Ore Mine

Govt. of Karnataka vide Gazette Notification dated 23/01/2017 reserved an area of 470.40 ha in Devadari Range, Sandur Taluk, Bellary District for mining lease of Iron and Manganese ore for captive utilization at Pellet Plant and Blast Furnace Unit at Mangaluru. Company had initiated actions for obtaining statutory clearances from authorities for execution of mining lease deed. Mining Plan was approved on 08/03/2018 for production of 2 mtpa iron ore and setting up of 2 mtpa crushing, conveying and beneficiation plant.

Ministry of Environment, Forest and Climate Change (MoEF & CC), Govt. of India (Gol) had issued Terms of Reference on 16/05/2018 for conducting base line study. Environmental Clearance (EC) presentation was made on 19/12/2019 before Expert Appraisal Committee (EAC). EAC, on 07/02/2020 had issued summary records of Meeting of environment appraisal and directed KIOCL to submit additional information / documents including status of forest clearance of the project and approval for the allocation of water from Tungabhadra Dam to the project. The same is being worked out. The Company submitted Forest

Clearance application in Form "A" on 16/03/2018 through online portal of MoEF & CC, Gol for forest clearance.

Forest Clearance (FC) proposal is under process at the office of Additional Chief Secretary (Forest), GoK for recommendations and submission to MoEF & CC, Gol for in-principle (Stage I) approval.

Efforts are being made to obtain Environment clearance & Forest clearance for Devadari iron ore mine project. However, due to lock-down amid COVID-19 Pandemic, the process got delayed.



[View of the Public Hearing at Devadari Range, Sandur Taluk, Ballari District on 25/06/2019]

The Company will undertake development of mine, commissioning of beneficiation plant along with infrastructure development viz railway siding, water pipeline, power transmission line, conveyor corridor with capital investment of around ₹ 1500 - 2000 crores. The iron ore produced from this mine will be utilized in the existing pellet and pig iron ore plants at Mangaluru. Setting up of pellet plant at site is envisaged at later stage.

Setting up of Coke Oven Plant (Backward integration) and DISP (Forward integration) projects of Blast Furnace Unit (BFU), Mangaluru.

KIOCL's Board on 13/11/2018 approved the project for setting up of 1.80 Lakh TPA capacity Non-Recovery Coke Oven Plant and 2 Lakh TPA capacity Ductile Iron Spun Pipe (DISP) project as backward and forward integration project at the

existing Blast Furnace Unit of KIOCL at Mangaluru. Ministry of Steel vide Letter dated 20/11/2019 intimated that Ministry of Finance, Govt. of India has approved the same with a total outlay of ₹ 836.90 Crores of which ₹ 276.17 Crores will be met through Reserves of the Company and remaining through debt. MoEF & CC, Gol has granted Environmental Clearance (EC) for the project on 27/02/2020. Company appointed M/s MECON as the Technical Consultant for providing Engineering, Procurement and Construction Management (EPCM) Services including detail Engineering, Procurement Services and Project Management Services. The tendering action for finalization of the agency for DISP, Coke oven, Waste Heat Recovery Power Plant and Pulverized Coal Injection Plant projects are under progress. However, due to lock-down amid COVID-19 Pandemic, the process got delayed.



[View of Public hearing for Setting up of Coke Oven Plant (Backward integration) and DISP (Forward integration) projects of Blast Furnace Unit (BFU), Mangaluru on 10/10/2019.]

Setting up of 5.0 MWac Captive Solar Power Plant

In order to meet the power requirement of Company's Plants at Mangaluru to some extent and to reduce cost of power of pellet production, Company envisaged for setting up of 5.0 MW Captive Solar Plant. Company engaged M/s Aishwaryagiri Construction Pvt Ltd., Bengaluru as EPC contactor (Engineering,

Procurement and Construction Contractor) for the setting up of 5.0 MWac (6.5 MWp) Captive Solar Power Plant in Karnataka. The EPC contractor has identified a land and the land documents are under legal scrutiny. Once approved, the same will be forwarded to District Authority for necessary clearance for setting up of 5 MW solar plant for captive consumption.



[View of 1.3 MWp Solar Plant at BFU premises of KIOCL at Mangaluru]

Commissioning of 1.3 MWp Solar Plant at BFU premises of KIOCL at Mangaluru

During the year, Company had successfully commissioned a 1.3 MWp Solar Power plant in the premises of Blast Furnace Unit for captive consumption. The Solar power plant is generating an average power of 5,300 KWH per day and it is generating around 19 lakh units of power per year. Full capacity of the solar plant could not be achieved due to heavy monsoon, which extended beyond the normal monsoon period of four months, in Mangaluru, due to which power generation is deeping down to 1,500 – 2,000 KWH per day.

JOINT VENTURE / MoU

Setting up 2 MTPA Pellet Plant on JV basis between KIOCL & RINL

KIOCL signed a MoU with M/s RINL Vishakapatnam for setting up a 2 MTPA capacity Pellet Plant at RINL premises, Vishakapatnam on Joint Venture Basis. To take the project forward, KIOCL prepared Techno-Economic Feasibility Report (TEFR), Detailed Project Report (DPR) and Shareholders Agreement, which was approved by the Boards of both KIOCL and RINL. KIOCL had re-submitted the necessary application to MoEF & CC, Gol for obtaining ToR (Terms of Reference) as per the new location measuring 92 acres identified by RINL within their premises. M/s MECON have been engaged as Technical Consultant for obtaining the Environmental Clearance from

MoEF and Consent for Establishment (CoE) from Andhra Pradesh State Pollution Control Board. Further, M/s RINL have engaged M/s UTI Infrastructure Tech and Services Ltd., Mumbai for carrying out the valuation of the land which would form a part of the equity from their side for the project.

MoU with M/s SAIL

Your Company entered into a MoU with M/s SAIL for exploring the Techno-economic feasibility for consideration of setting up of pellet plant under a Joint Venture (JV). M/s MECON was entrusted for preparation of bankable TEFR for identifying the best suited ISP of M/s SAIL for setting up of pellet plant. With due consultation, it is decided to set up 4 mtpa pellet plant at Bokaro Steel Limited of M/s SAIL. Discussion are under progress with M/s SAIL to finalize the JV agreement and other terms for setting up of pellet plant under JV.

MODERNIZATION OF PELLETT PLANT UNIT



[View of Blender Reclaimer]

Procurement and Installation of a Barrel Type Blender Reclaimer of 1000 tph capacity

Your Company had placed an order for ₹17.60 crores exclusive of GST for Design, Engineering, Manufacture, Supply, Transportation, Unloading, Handling at Site, Storage, Erection, Testing, Integrating with the existing system, Commissioning & carrying out the Performance Guarantee Test of Barrel type blender Reclaimer of 1000 tph capacity including associated systems & facilities and Civil & Structural Works complete to be accommodated at the existing shed no. 2 of the Pellet

Plant Unit to integrate with the existing system like the conveyor CB-86, using the same rails for long travel etc. During the year, Company had successfully completed the erection of Barrel type blender reclaimers and final commissioning of the same is in process.

Procurement and Installation of Pressure Filters at KIOCL's Filter Plant at Mangaluru

The iron ore sourced from Odisha has a high Alumina content, high Blaine and slimy in nature. With the existing Vacuum disc filters, filtration rate drops down to 20 tons per hour per filter as against the designed capacity of 120 tons per hour and filtered cake is having moisture level beyond 12 % as against the requirement of 9 to 10 %. This high moisture content adversely affects the pelletization process in terms of physical quality of the pellet produced and also resulting in reduced productivity with higher specific consumption of burnt lime, bentonite, furnace oil and electric energy.

In the above background, M/s MECON were engaged to study and submit a techno-economic feasibility report. M/s MECON have carried out the study and submitted the Techno-Economic Feasibility Report with a recommendation to install 4 nos of vertical pressure filters in the existing SPF building. The TEFR has been approved by the KIOCL Board. Introduction of vertical pressure filter in circuit will provide operational flexibility to Company for usages of iron ore fines from various sources and with the increase of Odisha iron ore fines in pellet making will reduce the OPEX.

The Company floated open tender for design, engineering, manufacture, supply and supervision of erection, testing & commissioning of 04 nos of vertical plate pressure filters at Pellet Plant, Mangaluru. Offers received against open tender are under technical scrutiny.

3. DIGITAL INDIA - SINGLE INTEGRATED INFORMATION SYSTEM / ERP

To leverage latest Information and Communication Technology to build its competitive edge in the market place towards digital transformation, the Company had engaged M/s. Ernst & Young,

LLP as an information technology (IT) consultant to assess the existing information IT infrastructure including hardware, software, organizational structure etc. and to recommend a futuristic IT infrastructure. Based on the recommendation of the consultant the Company had engaged M/s Grant Thornton LLP as Project Management Consultant to assist the Company in selection of System Integrator (SI) and managing the implementation of ERP solution across the Company. In continuation to aforesaid effort, the Board of Company at its Meeting held on 11/02/2020, agreed in principle for placement of work order on a System Integrator (SI), identified through transparent tender process for implementing the ERP and authorised the Committee of Functional Directors to further negotiate the price with the SI and to take final call to place the work order for implementation of ERP, keeping in view of the total cost of implementation and annual recurring cost thereafter. The Committee of Functional Directors had a negotiation Meeting with the identified SI and in view of high price offered, compared to the Company's estimate, the Committee of Functional Directors recommended to cancel the tender and advised for fresh tender. Thereafter, an Open Tender has been floated on 13/07/2020 for Selection of System Integrator for Implementation of ERP, with the last date for receipt of tender offers on 05/08/2020.

4. HUMAN RESOURCE MANAGEMENT & INDUSTRIAL RELATIONS

Human Assets

Your Company has taken proactive measures in building positive employee-employer relationship by nurturing initiatives, innovations and aspirations of the employees as an integrated approach of Human Resource Management, focusing on people to manage change and strive for continued excellence. Hence, the human resource policies and practices of your Company are designed to be always sensitive to employees' needs. As on March 31, 2020, the Company had 805 employees on its rolls comprising of 219 Executives (27%), 41 Non-Unionized Supervisors (5%) and 545 Non-Executive Employees (68%).

Table: 3 Given the breakup of employees under different categories on rolls of the Company as on March 31, 2020.

Group	Total	SC	ST	Ex-servicemen	PwD	No. of Women Employees
A	219	46	13	-	4	10
B	41	3	2	-	-	7
C	534	78	30	-	5	6
D & D (S)	11	5	5	-	3	1
Total	805	132	50	-	12	24

Compliance under the Persons with Disabilities Act, 1995

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

Prevention of Sexual Harassment of Women at Workplace

Your Company is committed towards prevention of sexual harassment of women at workplace and takes prompt action in the event of reporting of any such incidents. Your Company's

Sexual Harassment prevention procedures are in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. It has duly constituted an Internal Complaint Committees (ICC) to redress Sexual Harassment Complaints. All employees

- | | |
|---|-----|
| (i) number of complaints filed during the Financial Year: | NIL |
| (ii) number of complaints disposed-off during the Financial Year: | NIL |
| (iii) number of complaints pending as at the end of the Financial Year: | NIL |

(permanent, contractual, temporary, trainees) are covered under this policy. The details of number of cases filed and disposed-off during the year as required under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 are as follows:



[WIPS, Corporate Wing conducted Medical Camp for students of Karnataka Public School, Agara, Bengaluru on 10/01/2020.]

The Company nominates women employees to attend Annual Meet & Regional Meet of forum of WIPS every year. International women's day was celebrated on 8th March 2020 in a befitting manner at Mangaluru. KIOCL has been conferred with "Recognition of WIPS Activities Award, a tribute to Excellence in Public Enterprise Management" under Miniratna category for the year 2018-19 by Mr. Atul Sobti, Director General, SCOPE during the 30th National meet of Forum of women in public sector held on 11th & 12th February 2020 at Hyderabad.



[WIPS wing of KIOCL conferred with "Recognition of WIPS Activities Award, a tribute to Excellence in Public Enterprise Management".]

KIOCL has been conferred with "Recognition of WIPS Activities Award, a tribute to Excellence in Public Enterprise Management" under Miniratna category for the year 2018-19 by Mr. Atul Sobti, Director General, SCOPE during the 30th National meet of Forum of women in public sector held on 11th & 12th February 2020 at Hyderabad.

Industrial Relations and Employees Welfare

Your Company continued to maintain harmonious industrial relations, co-operation between the elected representative bodies of employees and management ensuring no loss of

mandays. Human Resource policies and welfare schemes were continuously aligned with the Company's goals and objectives and suitable amendments were carried out as per the requirement, changed business conditions etc. Recognised Union submitted the charter of demands to the Management in order to implement Wage Revision for Non-Executives Employees w.e.f. 01/01/2017. The Board at its Meeting held on 18/05/2020 had approved the revision of pay scales for Non-Executive Employees w.e.f. 01/01/2017 for a period of five years. Theafter, the proposal for wage revision has been forwarded to Ministry of Steel for its approval.

Empowerment of Women

Your Company is a Corporate life member of the Forum of Women in Public Sector (WIPS), a professional body functioning under the aegis of Standing Conference of Public Enterprises (SCOPE). All women employees are life members of the said Forum. Co-ordinators are being nominated on rotation basis from the Company to liaison with WIPS Apex Body and Southern Region.

Recruitment, VRS & Superannuation

During the year Company had recruited Twenty-One (21) Executives in different levels and Seven (7) employees were separated under Voluntary Retirement Scheme and Forty-Eight (48) employees superannuated.

Human Resource Development

During the Financial Year 2019-20 in the area of Human Resource Development, various activities were carried out as per the guidelines / instructions of Department of Public Enterprise. Retired Employees Pension Scheme and Retired Employees Medical Schemes were executed for the benefit of retired employees. KIOCL also implemented wage revision for Executives & Non-Unionized Supervisors w.e.f. 01/01/2017 as per the provisions under DPE guidelines and Ministry of Steel directives vide order No.5(21) 2008-KIOCL, dated 07/10/2019.

The Company has undertaken an assessment to achieve level-2 of People Capability Maturity Model (PCMM) based on the MoU target for the year 2019-20. This study was carried out through external agency, M/s QAI India Limited.

Consequent upon an order issued by Hon'ble High Court of Karnataka, Bengaluru in WP No.42152-42620/20[LPF], the difference amount of Employee Pension Scheme [EPS] contributions along with interest of the 469 petitioners to enhance pension under EPS 1995 was calculated from November 1995 to till the age of 58 or till the date of separation whichever was earlier and informed the separated employees to deposit the amount to KIOCL PF trust in turn the KIOCL PF trust would be remitting the same to EPFO. Accordingly, intimation sent to Regional Provident fund commissioner (RPFC) Bengaluru to inform Bank account details for remitting the amount. The Bank account details from RPFC is yet to be received.

As part of MoU target, web learning program was also carried out for particular group of employees in order to build their technical & managerial competencies. Management Development Program (MDP) was conducted for senior level officers at Mangaluru. 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 skill sets of employees. During the year 2253 no. of mandays of training was imparted to the employees.

Particulars of Employees

Ministry of Corporate Affairs vide its notification dated June 5, 2015 has exempted Government Company with the applicability of Section 197 of the Companies Act, 2013. However, the remuneration received by the employees of the Company, has not exceeded the limit prescribed under Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 during the Financial Year 2019-20.

Public/Staff Grievance Redressal

Your Company 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. Linkage has been provided to Centralized Public Grievances Redressal & Monitoring System (CPGRAMS) with effect from May 1, 2011. The guidelines laid down by the Government of India in this regard are being strictly followed. A Public Service Delivery (SEVOTTAM) portal has been created by Govt. of India for assessing and improving the quality of services delivered to the citizens. The system also involves the identification of the services delivered, quality of service, its objective, improvement of quality, using innovative methods for developing business processes and being more informative with the help of advanced information technology. The same is also available on the Company's website.

5. 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

The Board consists of ten members, four of whom are executive or whole-time Directors, two are non-executive Directors, representing Ministry of Steel and four are Independent Directors. Remuneration and other details of the KMP's are mentioned in the extract of the Annual Return.

Declaration of Independence by Independent Directors

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013, that he / she meets 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 its 264th Meeting held on 18/05/2020, noted the declaration, as made by the Independent Directors.

Majority of Independent Directors of the Company have already registered themselves with Independent Directors databank launched by MCA 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.

Woman Director

In terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 17(1)(a) of SEBI (LODR) Regulation, 2015, your Company had one Independent Woman Director on its Board till 30/01/2020.

Changes in the Composition of the Board of Directors

Inductions

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 also shall determine the term of office of such Directors. Accordingly, the following appointments on the Board of your Company were effected as per the directives of the President of India: -

1. Sri Ranjit Sreenivas and Sri Nirmalendu Mohapatra were appointed as an Additional Director and designated as Independent Directors on the Board of the Company w.e.f. 21/10/2019. Having so appointed, Sri Ranjit Sreenivas and Sri Nirmalendu Mohapatra shall hold office till the date of ensuing Annual General Meeting by virtue of Section 160 of the Companies Act, 2013.
2. Sri G. Ramasamy was appointed vide order dated 22/11/2019 as an Additional Director and designated as Independent Director on the Board of the Company w.e.f. 07/12/2019. Having so appointed, Sri G. Ramasamy shall hold office till the date of ensuing Annual General Meeting by virtue of Section 160 of the Companies Act, 2013.
3. Dr. Rohit Yadav, Joint Secretary, Ministry of Steel was appointed as an Additional Director and designated as Govt. Nominee Director on the Board of the Company with effect from 22/01/2020 vice Sri Saraswati Prasad, SS&FA Ministry of Steel.
4. Sri K.V. Bhaskara Reddy was appointed as an Additional Director and designated as Director (Production and Projects) w.e.f. 01/03/2020. Having so appointed, Sri K.V. Bhaskara Reddy shall hold office till the date of ensuing Annual General Meeting by virtue of Section 160 of the Companies Act, 2013.
5. Sri Vijoy Kumar Singh, Additional Secretary and Financial Advisor, Ministry of Textiles having Additional charge of Financial Advisor in Ministry of Steel was appointed as an Additional Director and designated as Govt. Nominee Director on the Board of the Company with effect from 17/03/2020 vice Dr. Rohit Yadav Joint Secretary, Ministry of Steel. Having so appointed, Sri Vijoy Kumar Singh shall hold office till the date of ensuing Annual General Meeting by virtue of Section 160 of the Companies Act, 2013.

Cessations

1. Sri Madhav Lal ceased to be Independent Director on the Board of the Company w.e.f. 25/11/2019 on completion of his tenure.
2. Dr. Deepika Sharma ceased to be Women Independent Director on the Board of the Company w.e.f. 30/01/2020 on completion of her tenure.
3. Sri Saraswati Prasad ceased to be Govt. Nominee Director on the Board of the Company w.e.f. 22/01/2020 in pursuance to Ministry of Steel Order No. 1/16/2015 -BLA dated 22/01/2020.

4. Dr. Rohit Yadav, Govt. Nominee Director vide his letter dated 27/02/2020 intimated that he had been relieved from the duties in the Ministry of Steel with effect from the afternoon of 25/02/2020 and accordingly, he had tendered his resignation as Govt. nominee Director on the Board of the Company, consequent upon his deputation to Prime Minister's Office and ceased to be Director on the Board of the Company w.e.f. 25/02/2020.
5. Sri N. Vidyananda Director (Production and Projects) ceased to be Director on the Board of the Company w.e.f. 29/02/2020, consequent upon attaining the age of superannuation.

Appointments / Resignations of the Key Managerial Personnel

During the year there was no appointment / resignation of Key Managerial Personnel

Directors Retiring by Rotation

In terms of Section 152 (6) of the Companies Act, 2013, Sri S.K. Gorai and Sri T. Srinivas being longest in office shall retire by rotation at the ensuing AGM and being eligible for re-appointment, offers themselves for re-appointment. The Board recommends their re-appointment.

Number of Meetings of the Board

The Board met 6 times during the year under review, the details of which 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 Regulations of the SEBI (LODR) Regulations, 2015 and Secretarial Standard on Meetings of the Board of Directors (SS-1) issued by The Institute of Company Secretaries of India (ICSI).

Directors Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134 (5) of the Companies Act 2013 that:

- a) In the preparation of the Annual Accounts for the Financial Year ended March 31, 2020, 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.

Extract of Annual Return

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the Annual Return for the Financial Year 2019-20 is annexed to this Report in the prescribed Form No. MGT-9. The same is available on Company website at weblink <https://www.kioclltd.in/user/cms/371>.

Cost Records and Cost Audit

The Company is maintaining the cost records and is complying the requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013.

Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the Cost Audit records of the Pellet Plant Unit of the Company is required to be audited. The Board on the recommendations of the Audit Committee, has appointed M/s R. M. Bansal & Co., Cost Accountants to audit the cost accounts of the Company for the Financial Year 2020-21.

As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the members' in the Annual General Meeting for their ratification. Accordingly, a Resolution seeking members' ratification for the remuneration payable to M/s R. M. Bansal & Co., Cost Auditors is included at Item No.11 of the Notice convening the Annual General Meeting.

The Cost Audit Report for the Financial Year 2018-19 was filed with the Ministry of Corporate Affairs on 09/09/2019. The Cost Audit Report for Financial Year 2019-20 is under finalisation and will be submitted to the Ministry of Corporate Affairs within the prescribed period.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Sri S. Viswanathan, Practising Company Secretary for conducting the Secretarial Audit of the Company for the Financial Year 2018-19 to 2020-21. The Secretarial Audit Report for the Financial Year 2019-20 forms part of the Directors Report.

C&AG Audit

The Comptroller & Auditor General of India (C&AG) vide its letter dated 20/08/2020 has conveyed "NIL" comments on the accounts of the Company for the year ended March 31, 2020. Copy of the same is annexed to this Report.

Adoption of new set of Memorandum of Association and Articles of Association

The existing Memorandum of Association (MoA) & Article of Association (AoA) are based on the Companies Act, 1956 which was prevailing at the time of incorporation of the Company. Even though changes in the articles were made subsequently keeping in view of the legal requirements as well as to enable the Company to carry out certain activities as statutorily

required, still several Regulations in the existing articles contain references to specific sections of the Companies Act, 1956. With the enactment of the Companies Act, 2013 and substantive sections of the Act which deals with the general working of the Company has been notified by Ministry of Corporate Affairs, Government of India, which requires alteration in the MoA / AoA or deletions in several articles.

Accordingly, the Board at its 263rd Meeting held on 11/02/2020 approved the proposal for adoption of new set of Memorandum of Association and Articles of Association in line with the Companies Act, 2013, authorized to take up the proposal to Ministry of Steel, the Administrative Ministry for its approval in line with the Department of Public Enterprises O.M. No. DPE/13(26)/98-Fin.G.II dated 27th November, 1998 and thereafter to include in the Notice of the next General Meeting for approval of shareholders by way of a Special Resolution.

The proposal was forwarded to Ministry of Steel, Government of India for its approval vide Company's letter dated 11th March 2020. The approval of Ministry of Steel is awaited.

6. CORPORATE SOCIAL RESPONSIBILITY

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company as adopted by the Board and the initiatives undertaken by the Company on CSR activities during the year under review form a part of this Report as an Annexure in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. 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 under the link <https://www.kioclltd.in/user/cms/344>.

7. AWARDS & RECOGNITIONS

During Financial Year 2019-20, the Company had received following Awards & Recognitions:

- a) "7th Governance Now PSU Award" under the category, Resilient Growth (Turnaround).
- b) 1st Prize from "Town Official Language Implementation Committee (TOLIC)
- c) Recognition of WIPS Activities Award under Mini-Ratna & Others Category.

8. KEY INITIATIVES

Environmental Management and Pollution Control Measures

Your Company is committed to preservation of ecology and prevention of pollution in its manufacturing activity. Company's Environmental Management System is certified to 14001:2015 Standards. Some of the initiatives taken at plant level during the year are as under:

- LED fittings (200 nos.) have been replaced in office buildings in place of conventional fluorescent tubes in various locations in Pellet Plant Unit.
- Energy efficient motors replaced for water pump (110 KW) and blower motors (22 KW) were replaced and proposed for changing the balance motors in phased manner.
- Grid connected Roof Top Solar plants have been set up in the Captive Power Plant (CPP) area of Pellet Plant Unit. The total capacity of the plant is 83.2KW.

- A similar grid connected plant has also been set up in the Blast Furnace Unit (BFU) with a total capacity of 293 KW. Four units have been set up on top of the stores (140 KW), Welfare Building (51 KW), Administration Building (64 KW) and MSDS building (38 KW). All the units are in operation.
- A ground based solar system of 1 MW capacity has been commissioned and in operation since November 2018. The generated energy is being consumed at PPU.
- The total solar generation for the year 2019-20 was 1,03,827 units from CPP roof top of PPU.
- As part of our effort towards cutting down the cost of energy consumed, we have purchased (20 GWh) almost 13.38% of our total energy utilized in PP Unit from IEX.

- Your Company have also purchased renewable energy of 19.35 GWh through wheeling which is also saved energy cost as well as to fulfil Renewable energy Purchase Obligation and comes to around 12.5 % of total requirement.
- Your Company have opted “Special Incentive Scheme” from MESCOM which is risk free compared to IEX energy bidding and saving is at par with the savings from IEX bidding. The total saving from IEX bidding and Wheeling of renewable energy was ₹ 6.21 crores during the Financial Year 2019-20.
- Another cost saving measure is taken up with MESCOM to increase the Contract Demand (CD) from 20 MVA to 23 MVA thus reducing number of DG operation and maximize the bidding from IEX which is cheaper than MESCOM energy, thereby reducing the monthly electricity bills.



[Safety day was celebrated at Pellet Plant at Mangaluru]

Safety

The Onsite emergency plan approved by Director of Factories is in existence for both Pellet Plant Unit and Blast Furnace Unit of the Company. The Company has formed area wise safety Committees. Workers participation in these Safety Committees are ensured. The safety committee Meetings were conducted on regular interval on 22/04/2019, 10/07/2019, 20/12/2019 and 19/03/2020 in Pellet Plant Unit and 04/04/2019, 18/07/2019, 04/11/2019 and 02/03/2020 in Blast Furnace Unit respectively.

Safety Inspections are carried out once in two months by the Safety officer along with concerned department engineers and Safety Committee members. The observations made during Inspection is noted and reported to concerned departmental heads for compliance. An Internal cross departmental Safety audit has been conducted along with a Committee formulated by Competent Authority as per Standard checklist IS:14489. Suitable Personal Protective Equipment’s (PPE) has been issued to all employees including Contract labours to protect them against work place hazards. Various Training programmes are being conducted to inculcate Safety consciousness

among employees. As per Factories Act, 1948 The Company observed National Safety week from 4th March, 2020 to 10th March, 2020. The onsite emergency Mock drills are conducted once in 6 months in Pellet Plant and Blast Furnance Unit.

ISO Certification

Your Company is certified with ISO 9001:2015 for Quality Management System, ISO 14001:2015 for Environmental Management System and ISO 45001:2018 for Occupational Health and Safety Management System. All certifications are valid up to 08/11/2021.



[The Company was facilitated by World Hindi Council on 14/09/2019 for contribution in progress & implementation of Hindi]

Implementation of Official Language Policy

Your Company follows and implements the directives issued from time to time by the Department of Official Language, Ministry of Home Affairs and Ministry of Steel, Government of India for the progressive use of Official Language (Hindi). Employees of the Company are encouraged to work in Hindi with regular training, cash awards and increments as per the Government directives. Hindi Workshops, Orientation programmes are conducted regularly to create awareness, impart knowledge and encourage the employees to do their Official work in Hindi.

Official Language Implementation Committee Meetings take place at all the locations regularly and the progress during the previous quarter is reviewed in such Meetings. Hindi Fortnight was celebrated at all locations of the Company during September 2019. Hindi Programmes and several Hindi Competitions were held and prizes distributed to the winners. A valedictory function was organized on 29th September, 2019. Your Company was the convener of Bengaluru Town Official

Language Implementation Committee TOLIC (Undertakings) till 30th November, 2019, and conducted regular Meetings and joint Hindi Month programmes for all Central PSUs in Bengaluru. During the Year, 04 Hindi Workshops were conducted to impart training to the employees for doing their Official work in Hindi and one OL Seminar was organized in the Month of December 2019 for the progressive use of Hindi. A Valedictory function was organized on 30th September 2019.



Vigilance

Preventive vigilance has been the thrust area of Vigilance Department of your Company for all these years and the same has received focused attention during the year. A climate of preventive vigilance is generated to sensitize officials at all levels about the ill effects of corruption and malpractices. Regular Structured Meeting of Vigilance with the management is being conducted and issues related to e-governance, Leveraging Technology, Tender Management, Award of Works, Recruitment Policy have been discussed. The Vigilance Department is certified for compliance to ISO certification 9001-2015 standards to

ensure continuous improvement in Quality Management System. Certificate is valid upto 29th January 2022. Vigilance Awareness Week was observed from 28th October to 2nd November 2019 at all the locations/ offices of KIOCL Limited. Workshops and seminars were conducted during the week. Essay competition was conducted for school/college students.

On this occasion, the importance of observing the Vigilance Awareness Week and steps taken to strengthen vigilance activities were highlighted. E-procurement is in vogue and the threshold value for this is fixed at ₹ 5 lakhs & above. During 2019-20, 98.38% of cases by value are covered under this. All payments above the threshold value of ₹ 1 lakh are being made through electronic mode. During the year, 139 work/purchase/sale orders have been issued incorporating Integrity Pact clause, covering 98.70% of contracts by value. No complaints have been received under Integrity Pact. 51 scrutiny/examinations, 54 checks/inspections are carried out during the year and corrective actions, if any are suggested. Necessary action is taken as regards to the complaints received during the year. Vigilance Department conducted 12 training sessions at three different

locations, covering 1240 manhours. Topics such as Good governance- Vigilance & other developments, Vigilance Awareness & Preventive Vigilance etc. were covered.

Vigil Mechanism

The 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 Act and Regulation 22 of Listing Regulations, to report concerns about unethical behaviour. The details of the policy have been disclosed in the Corporate Governance Report, which is a part of this report and is also available on link <https://www.kioclltd.in/user/cms/99>

Compliance of recommendations made by the Committee on Papers Laid on the Table (Rajya Sabha) in its 150th Report

- Details of cases initiated / disposed-off during 2019-20: -

No case was pending as on 31/03/2019, no case was initiated during 2019-20. As such no case is pending as on 31/03/2020.

- Pending Audit Paras:

Sl. No.	Ref. to Para No./ Audit Report/title	Audit Observation	Status
1	Para no.3.7.2.2 of Report no.2 of 2009-10. Inventory holding – Stores & Spares.	KIOCL has not fixed the level for all the items of stores and spares. Further, it was having ₹ 55 crores as Non-moving stores and spares as on 31/03/2009.	Inventory holding norms were fixed for Raw materials and major stores and spares in April 2014 and the same was intimated to MoS on 21 st April 2014. The non-moving stores & spares stood at ₹ 4.53 crores including surplus stores of ₹ 1.48 crores as on 31/03/2020.
2	Para no.19.1.1 of Audit Report No.9 of 2009-10. Extra expenditure due to payment of higher tariff & congestion surcharge on transportation of iron ore.	Failure of the Company to get its railway siding declared as “other than stations/sidings serving port” immediately on starting the operations resulted in payment of higher tariff of ₹ 6.05 crore and surcharge of ₹ 73.15 crore on transportation of iron ore.	The Company has made claims for refund before Railway Claims Tribunal (RCT) at Bengaluru and Bhubaneswar. As the claim lodged with RCT, Bhubaneswar was dismissed, the Company has filed a case in the High Court, Bhubaneswar during January 2018. The Tribunal allowed the application filed by the Company by its order dated 07/12/2018 and directed SWR to compute the amount and pay with interest @ 6 % p.a. and in case SWR fails to comply with the order interest @ 9 % per annum is payable w.e.f 01/04/2019.
3	Para no. 15.2 of Audit Report No. 8 of 2012-13. Irregularities in procurement & inventory management of Lam Coke.	The decision of not procuring a third shipment of LAM Coke at the lower rates offered during the Empowered Joint Committee (EJC) Meeting held in February 2008 resulted in extra expenditure of ₹54.85 crore. Writing off of stock shortage of 9,144.153 MT Coke valued at ₹ 32.41 crore was for reasons not justifiable.	The Company procured two shipments with different lay cans to avoid overlapping and logistic issues. Also, the decision to procure two shipments only was based on market report ‘STEELGURU’ dated 27/01/2008 which indicated that there was a possibility of reduction in the price of Coke beyond March 2008. Difference of 9,144.153 MT of LAM Coke had arisen as a cumulative effect since the inception of the Company while handling 10,08,308 MT of LAM Coke receipt and the difference is 0.906% of quantity received. The shortage was attributable to (a) Moisture adjustment (b) Difference due to transit loss (c) Difference due to handling loss and difference due to less accountal of fines generated. The transit loss was 0.356% of total receipts and handling loss was 0.173% of total quantity handled. The total shortage of 9,144 MT constitutes 0.906% of total receipts since inception which is also much below the norm of 3% followed by RINL, other PSU of Ministry of Steel.
4	Para no. 17.1 of Audit Report No. 13 of 2014. Injudicious expenditure on Pig Casting Machine in Blast Furnace Unit.	Despite knowing that Blast Furnace Unit (BFU) was not viable on standalone basis and having closed its operations, KIOCL ordered for setting up a third Pig Casting Machine (PCM) which has been idle for the past 26 months and would remain idle for a minimum of another 24 months from the issue of letter of intent, which has also not been issued so far (September 2013). This has resulted in idling of funds and injudicious expenditure of ₹ 4.20 crore.	In order to improve the productivity of BFU, M/s. MECON have suggested several modifications. Installation of 3 rd PCM and introduction of pulverising coal injection system were two prominent proposals. As the system of injection of coal requires high investment, only installation of 3 rd PCM was undertaken in the 1 st Phase modification. However, by the time the installation was completed, the same could not be put to use due to suspension of operations of BFU because of commercial non-viability. The machine will be put to use as and when the plant starts its operation. The benefits/improvements are: (a) Safe working environment for maintenance personnel; (b) Shorter waiting period for Hot Metal collected in ladles. This avoids solidification of top layer of metal in the ladle (reduced skull formation) (c) Better surface finish of Pig Iron Cubes/Blocks (enhances marketability) and

Sl. No.	Ref. to Para No./ Audit Report/title	Audit Observation	Status
		(d) Reduced interruption in tapping of metal from Blast Furnace. Higher productivity under constant blast volume and smoother furnace operation. The BFU is shut down due to economical non-viability from August 2009. The cost of raw materials, in particular LAM Coke has increased abnormally and making negative contribution for producing Pig Iron. KIOCL constantly monitoring the price movement of all the raw materials especially LAM Coke for positive contribution. As and when the BFU operations resume, the PCM3 will be put to use. MoS has conveyed the approval for the proposal of setting up of Forward and Backward Integration Project at Mangaluru with a Total Outlay of ₹ 836.90 Crores.	

Grant-in-aid for R&D Project

The Company had received a grant-in-aid from Ministry of Steel, Govt. of India for an amount of ₹ 11,20,260/- on 05/12/2018 for carrying out R&D for “Synthesis of Kudremukh Iron Ore Mine Tailings based Geopolymer Aggregates using Fly ash as precursor in Construction Industry” by KIOCL Limited in association with Dayananda Sagar College of Engineering (DSCE), Bengaluru. The Company has released an amount of ₹ 10,62,207/- on 23/03/2019 to DSCE.

Implementation of Public Procurement Policy for MSEs

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

- List of item components that could be sourced from MSEs are posted on the Company’s website at www.kioclltd.in for the information of MSE vendors.
- Communication has been 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 are approached for capturing necessary details and update the data bank.
- During 2019-20, your Company placed orders for Goods & Services to the extent of ₹ 18.12 crores from MSE’s which constituted 49.67% of the total procurement value of ₹ 36.48 crores.

Procurement from Government e-Market (GeM)

During the Financial Year 2019-20, your Company had placed 48 orders on Government e-Market (GeM) amounting to ₹ 2.81 crores.



Right to Information

Your Company has implemented Right to Information Act, 2005 in order to provide information to citizens and to maintain accountability and transparency. The Company has hosted RTI manual on its website for providing access to the citizens of India and has designated Central Public Information Officers (CPIOs), Assistant Public Information Officers (APIOs) and Appellate Authorities to provide information’s to the applicants. During the year your Company received 54 applications including 22 online applications and all applications were disposed-off as per the provisions of the Act.

Energy Conservation, R&D, Technology Absorption and Foreign Exchange 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.

Dividend Distribution Policy

In terms of the Regulation 43A of SEBI (LODR) Regulations, 2015, the Board of Directors of your Company have adopted Dividend Distribution Policy. The Policy is available on the website of the Company under link <https://www.kioclltd.in/user/cms/344>.

Appreciations and Acknowledgement

Your Directors gratefully acknowledge the support, co-operation and guidance received from the Hon'ble Minister for 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.

Your Directors acknowledge the support extended by the valued and esteemed customers, shareholders, stakeholders, bankers and suppliers for their support and co-operation.

The Directors regret the loss of life due to COVID-19 Pandemic and are deeply grateful and have immense respect for the corona warriors who risked their life and safety to fight this Pandemic.

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/-

(MV Subba Rao)

Chairman-cum-Managing Director

Date: 10/08/2020

Place: Bengaluru



[A view of unloading of Pellets to yard through conveyer belt at Pellet Plant, Mangaluru]

REPORT ON CORPORATE SOCIAL RESPONSIBILITY



[A cheque of ₹ 50 Lakhs was handed over to Hon'ble CM of Karnataka towards Flood Relief.]

As a responsible Corporate Citizen, your Company has been practicing the CSR model of “Changing lives of people”, by reaching out to the stakeholders, community and society who are directly or indirectly involved in its business operations. It’s CSR activities primarily focus on identifying gaps in the existing system of the delivery to society and intervening meaningfully with them, so as to create a long-term, sustainable impact.

During the year 2019-20, your Company has implemented various socio-economic development activities for the betterment of the society under Corporate Social Responsibility. The details are as under: -

CONTRIBUTION TO DISASTER MANAGEMENT IN KARNATAKA

During the month of August-2019, Karnataka had witnessed one of the worst and unprecedented rain fall which has resulted

in floods in several parts of Karnataka. The unprecedented rainfall & floods have caused death of common people & animals such as cattle’s, thousands of people lost their homes, damaged schools, buildings, roads, bridges etc. In order to support rehabilitation work & support Govt. of Karnataka, your Company has contributed ₹ 27.30 lakhs under Corporate Social Responsibility.

DRINKING WATER FACILITY

The Company has provided Financial assistance towards installation of RO Plant & Cloth wash and drying machine in District Prison of Mangaluru Pure Drinking water facility with Reverse Osmosis Plant in 18 Primary health centres in different villages of Raichur which is identified as Aspirational District. Pure Drinking water facility to DKZP, Hr. Primary school, Baikampady, Meenakaya, Mangaluru.



[Handing over of Cheque to Deputy Commisioner, Mangaluru towards RO Plant & Cloth wash and drying machine in District Prison, Mangaluru]



[Pure Drinking water facility to DKZP Hr. Primary school, Baikampady]



[Handing over of cheque to Addl. DC, Raichur towards RO plant in health centres]

It has provided drinking water facility to Rotary Bala Bhavan, KHB Colony, Mangaluru. Pure Drinking water facility to DKZP Hr. Primary school, Baikampady, Meenakaya, Mangaluru.

PROMOTION OF EDUCATION

Support for purchase of equipment's and training materials to start ITI courses for differently abled persons by Amar Seva Sangam, Ayikudy, Tamil Nadu. Your Company has

supported Amar Seva Sangam which is providing education & skill development by providing assistance to start ITI courses to differently abled persons as part of support for skill development programme. During the year the Company has supported Akshaya Patra Foundation for supply of Mid-Day Meals at Mangaluru. This project is taken up to promote "Poshan Bharath Abhiyan" campaign of Govt of India to eradicate class room hunger.



[Assistance for construction of Free Boys Hostel in Mangaluru]

During the year 2019-20, it has supported Govt Hr. Primary School, Mestripalya, Bengaluru by providing Computer, Printer, UPS and Almirah for the benefit of poor students. Around 50 primary students are benefitted with this project. Around 30 students from economically weaker section of the society were benefitted with this project. the Company has provided financial assistance towards construction of free boy's hostel & community hall for Balasamrakhana Kendra, Orphanage at Munnar Village, Mangaluru

Financial Assistance to Govt. Higher Primary School, Melukote. This school is one of the oldest schools in Karnataka which was established in the year 1875. Students from rural & economically weaker section of the society are studying in this school. For the

benefit of poor students, the Company has supported the school by providing Kitchen equipment's for supply of Mid-day meal to students and also provided computer printer for the benefit of students. Around 118 students were benefitted with this project.



Handing over the cheque to Distict Authorites, Madikeri towards renovation of Anganwadi centres

During the year your Company has provided financial assistance for renovation of Anganwadi centre in Madikeri which was destroyed due to heavy rain. To support Sansad Adarsh Gram Yojna, KIOCL is constructing class room for primary school building at Nelyadka & Kenya Grama, Balpa & Gnana Mandira. KIOCL has provided financial assistance for Painting & White wash to DKZP Primary School, Thanneerbhavi, Mangaluru.

It has also provided financial assistance to poor & meritorious student for support of higher education

PROMOTION OF SPORTS

During the year, the Company has conducted National level Chess Tournament at Mangaluru. Around 337 children participated in the event

ENVIRONMENT SUSTAINABILITY

In order to promote “Bring your own Bag” campaign of Govt of India to encourage replacement of plastic bags, the Company has procured around 800 Jute bags from Jute Corporation of India.

CONTRIBUTION TO GOVERNMENT TO COMBAT COVID-19

COVID-19 Pandemic has caused havoc across the country and more than one million people have been infected with this

disease so far. Many people have lost their lives and in order strengthen hands of the Govt. to combat COVID-19 situation in the country, your Company has contributed ₹ 10.10 Crores to PM Cares Fund and ₹15 Lakhs to Govt of Karnataka under Corporate Social Responsibility. It has also distributed face masks and hand sanitizer to general public at Bengaluru & Mangaluru in order to prevent spread of COVID-19.

HEALTH CARE

During the year the Company has also supported for cancer treatment of one girl who belongs to BPL family by reimbursing the medical expenditure to Sankara Cancer Hospital, Bengaluru.

REPORT ON CORPORATE GOVERNANCE

In accordance with the Corporate Governance provisions specified in 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 into 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 shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth.

Policies

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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. 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 existing Articles of Association of the Company stipulate that the number of Directors shall not be less than five and not more than thirteen. The current Board of Directors of the Company comprises ten Directors, including four Functional Directors, two Directors nominated by Ministry of Steel and four Independent Directors.

In pursuance to Section 149 of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and Regulation 17 of the SEBI (LODR) Regulations, 2015 and DPE guidelines on Corporate Governance for CPSE's, 2 (two) more Independent Directors including one woman Independent Director is required to be appointed. The Company has requested Govt. of India through its administrative Ministry to fill up the vacant posts. 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, none of the Directors are members of more than ten Board level Committees, nor are they Chairman of more than five Committees across all the Companies, in which they are Directors. The composition of Board of Directors and their attendance in various Meetings held during 2019-20 is given in Table 1.

Table 1: Composition & Attendance Record of the Board Meetings

Name of Director (S/Sri/Smt)	Category	Attendance at Board Meeting / Total Meetings after appt. as Director	Whether attended last AGM (Yes/No)	No. of Directorships **	Number of Committees#	
					Member	Chairman
M.V. Subba Rao (DIN 06495576)	Executive	6/6	Yes	-	0	0
S.K. Gorai (DIN 07223221)	Executive	6/6	Yes	-	0	0
T. Saminathan (DIN 08291153)	Executive	6/6	Yes	-	2	0
K V Bhaskara Reddy ¹ (DIN 08672764)	Executive	NA	NA	-	1	0
N. Vidyananda ² (DIN 06729244)	Executive	6/6	Yes	-	-	-
Vijoy Kumar Singh ^{*3} (DIN 00592638)	Non-Executive	NA	NA	6	0	0
T. Srinivas * (DIN 07238361)	Non-Executive	6/6	No	1	0	0

Name of Director (S/Sri/Smt)	Category	Attendance at Board Meeting / Total Meetings after appt. as Director	Whether attended last AGM (Yes/No)	No. of Directorships **	Number of Committees#	
					Member	Chairman
Dr. Rohit Yadav ⁴ (DIN 07008782)	Non-Executive	1/1	NA	-	-	-
Saraswati Prasad ⁵ (DIN 07729788)	Non-Executive	5/5	No	-	-	-
Jagdish P. Joshi (DIN 03385677)	Independent	6/6	Yes	1	1	1
Nirmalendu Mohapatra ⁶ (DIN 07352648)	Independent	3/3	NA	-	0	0
Ranjit Sreenivas ⁶ (DIN 08539909)	Independent	3/3	NA	-	2	0
G Ramasamy ⁷ (DIN 08632590)	Independent	2/2	NA	-	1	1
Madhav Lal ⁸ (DIN 06547581)	Independent	4/4	Yes	-	-	-
Dr. Deepika Sharma ⁹ (DIN 07734495)	Independent	5/5	Yes	-	-	-

Notes:

Chairmanship and membership of Audit and Stakeholder Relationship Committee in KIOCL Ltd. only are considered. The Status of all the Committees are given as on 18/05/2020.

* Nominees of Govt. of India (Non-Executive Directors). Sri T. Srinivas is Govt. Nominee Director on the Board of MOIL Ltd. (Listed Co.) and Sri Vijoy Kumar Singh is Govt. Nominee Director on the Board of 6 other Govt. Co's. Including two listed Govt. Co's i.e. NMDC & SAIL.

**Other than KIOCL

1. Assumed office w.e.f. 01/03/2020 pursuant to Ministry of Steel's Letter F.No.5/2/2018-BLA dated 07/11/2019.
2. Ceased to be Director w.e.f. 29/02/2020 on attaining the age of superannuation.
3. Appointed vide MoS letter No. 1/16/2015-BLA dated 17/03/2020.
4. Appointed vide Ministry of Steel's Letter No.1/16/2015-BLA dated 22/01/2020. Later, resigned from the office of Director, on being relieved of duties in MoS w.e.f. 25/02/2020.
5. Ceased to be Director pursuant to MoS letter No. 1/16/2015-BLA dated 22/01/2020.
6. Appointed vide Ministry of Steel's Letter F.No.1/10/2015-BLA (Vol- IV) dated 21/10/2019.
7. Appointed vide Ministry of Steel' Letter F. No.1/10/2015-BLA (Vol-IV) dated 22/11/2019.
8. Ceased to be an Independent Director w.e.f. 25/11/2019 due to completion of tenure.
9. Ceased to be an Independent Director w.e.f. 30/01/2020 due to completion of tenure.

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

Table 2: Meetings of The Board of Directors

Sl. No.	Meeting No.	Date of Meeting	Intervening Gap
1.	258 th	21/05/2019	-
2.	259 th	02/07/2019	41
3.	260 th	06/08/2019	34
4.	261 st	13/11/2019	98
5.	262 nd	13/12/2019	29
6.	263 rd	11/02/2020	59

The intervening gap between the Meetings was within the prescribed limit under the Companies Act, 2013.

Disclosure of Relationships between Directors inter-se

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

Familiarization Programme to Independent Directors

The Directors of the Company are nominated for suitable training / programmes / seminars / plant visit from time to time. The Company is also providing a corporate kit to all Directors on their appointment which includes information's about Company and its products, Memorandum of Association and Articles of Association of the Company, roles, rights, and responsibilities of Independent Directors etc.

Chart or Matrix setting out the Skills/ expertise/ competence of the Board of Directors

Being a Government Company, under the administrative control of the Ministry of Steel, the power to appoint Directors vests with the Government of India. The Functional Directors having specified skills / expertise / competencies in the context of Company's business and sector to function effectively from a mix of eminent personalities are appointed by Ministry of Steel, Govt. of India. Independent Directors are also appointed by Ministry of Steel, Govt. of India, from a mix of eminent personalities having requisite expertise and experience in diverse fields. In view thereof, the Board of Directors have not identified the list of core skills / expertise / competencies required by a Director in the context of company's business, as required under SEBI (LODR) Regulations, 2015.

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 noted at the subsequent Meetings of the Board of Directors and were made part of the minutes of 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. Majority of Independent Directors of the Company have already registered themselves with Independent Directors databank launched by MCA 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.

Board Meetings and Procedure

Meetings of Board of Directors are governed by a structured Agenda items, supported with comprehensive notes, containing all the relevant information, so as 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 complete freedom to express their opinion and 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 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 whistle-blowing in good faith.

Prohibition of Insider Trading

Board of Directors of your Company has approved "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 No 8 and 9 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The same is placed on Company's website.

Director Shareholding

Except, Sri K.V. Bhaskara Reddy, Director (Production & Projects) who is holding 200 equity shares of the Company since 1996, none of your Director is having any shareholding in the Company as on March 31, 2020.

Committees of the Board

The Board has constituted various Committees of Directors. These Committees monitor the activities falling within their terms of reference. There are six Board Committees as on March 31, 2020, which comprises five statutory committees and one other non-statutory Committee, details of which are as follows:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Corporate Social Responsibility Committee;
4. Stakeholders Relationship Committee;
5. Risk Management Committee; and
6. Investment, Project Appraisal & Monitoring Committee.

During the year, the Board has re-constituted the following Sub-Committees at their respective Meetings, the information regarding the same is given at table 3 below :-

Table: 3

S. No.	Board Meeting	Date of Meeting	Name of the Committees reconstituted
1.	258 th	21/05/2019	1. Nomination and Remuneration Committee 2. Corporate Social Responsibility Committee 3. Stakeholders Relationship Committee 4. Investment, Project Appraisal & Monitoring Committee
2.	260 th	06/08/2019	1. Audit Committee
3.	261 st	13/11/2019	1. Audit Committee; 2. Nomination and Remuneration Committee; 3. Corporate Social Responsibility Committee; 4. Stakeholders Relationship Committee; 5. Risk Management Committee; and 6. Investment, Project Appraisal & Monitoring Comm.
4.	263 rd *	11/02/2020	1. Audit Committee 2. Corporate Social Responsibility Committee
5.	264 th	18/05/2020	1. Stakeholder Relationship Committee 2. Nomination and Remuneration Committee

[*Through Circular Resolution dated 30/01/2020 and noted at 263rd Meeting held on 11/02/2020.]

1. 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) Regulation, 2015 and DPE guidelines, issued from time to time, including any statutory modification(s) or re-enactment thereof, for the time being in force.

Meetings and Attendance during the Year

The total number of Meetings along with the date on which they were held during the Financial year 2019-20 are given at Table 4.

Table 4: Meeting of Audit Committee

Sl. No.	Meeting No.	Date of Meeting	Intervening Gap
1	98 th	21/05/2019	-
2	99 th	01/07/2019	40
3	100 th	06/08/2019	35
4	101 st	03/09/2019	27
5	102 nd	13/11/2019	70
6	103 rd	11/02/2020	89

The Composition of the Committee as on March 31, 2020 and the attendance of the members at the Meetings are given at Table 5.

Table 5: Composition and Attendance Record of Audit Committee

Name of Director (S/Sri/Smt.)	Category	Attendance
Jagdish P. Joshi, Chairman	Independent Director	6/6
Ranjit Sreenivas, Member (Member w.e.f. 13/11/2019)	Independent Director	1/1
G Ramasamy, Member (Member w.e.f. 30/01/2020)	Independent Director	1/1
T. Saminathan, Member	Functional Director	6/6
Madhav Lal, Member (Member upto 25/11/2019)	Independent Director	5/5
Dr. Deepika Sharma, Member (Member upto 30/01/2020)	Independent Director	5/5
N. Vidyananda, Member, (Member upto 06/08/2019)	Functional Director	3/3

2. 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 Regulations 19 and Part D of Schedule II of SEBI (LODR) Regulations, 2015. The Committee was re-constituted on 18/05/2020.

Composition of the Committee

The Committee, as on date consists of three Independent Directors and Chairman-cum-Managing Director of the Company. The Chairman of the Committee is an Independent Director. Company Secretary acts as a Secretary to the Committee.

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 6 and the attendance of the members is given at Table 7 respectively:

Table 6. Nomination and remuneration Committee Meetings

Sl. No.	Meeting No.	Date of Meeting	Intervening Gap
1	28 th	01/07/2019	-
2	29 th	06/08/2019	35
3	30 th	10/02/2020	187

Table 7 Composition and Attendance Record of Nomination and Remuneration Committee

Name of Director (S/Sri/Smt)	Category	Attendance
Nirmalendu Mohapatra, Chairman (w.e.f.13/11/2019)	Independent Director	1/1
Jagdish P. Joshi, Member, w.e.f. 13/11/2019 (Chairman upto 12/11/2019)	Independent Director	3/3
G. Ramasamy, Member (w.e.f. 18/05/2020)	Independent Director	N.A.
M.V. Subba Rao, Member	Chairman-cum-Managing Director	3/3
Madhav Lal, Member (upto 25/11/2019)	Independent Director	2/2
Dr. Deepika Sharma, Member (upto 30/01/2020)	Independent Director	2/2

3. Corporate Social Responsibility Committee

In line with Section 135 and 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.

The total number of Meetings along with the date on which they were held during the Financial year 2019-20 are given at Table.8

Table 8: Corporate Social Responsibility Committee Meeting

Sl. No.	Meeting No.	Date of Meeting	Intervening Gap
1	17 th	01/07/2019	-
2	18 th	03/09/2019	63
3	19 th	12/11/2019	69

The composition of the CSR Committee and the attendance of the members at the Meeting are given at Table 9.

Table 9: Composition and Attendance Record of CSR Committee Meetings

Name of Director (S/Sri/Smt)	Category	Attendance
Dr. Deepika Sharma, Chairman (upto 30/01/2020)	Independent Director	3/3
Nirmalendu Mohapatra, Chairman (Member w.e.f. 30/01/2020 & Chairman w.e.f. 11/02/2020)	Independent Director	NA
Madhav Lal, Member (upto 25/11/2019)	Independent Director	3/3
Jagdish Joshi, Member (upto 13/11/2019)	Independent Director	3/3
N. Vidyananda, Member (upto 29/02/2020)	Director (Production & Projects)	3/3
K.V. Bhaskara Reddy, Member (w.e.f. 01/03/2020)	Director (Production & Projects)	NA
S.K. Gorai, Member	Director (Finance)	3/3

Note:1 The committee was reconstituted on 21/05/2019, 13/11/2019 and 30/01/2020.

4. 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 and 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 SR Committee inter-alia includes the following:

1. Resolving the grievances of the security holders of the listed entity 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 the Registrar & Share Transfer Agent.

- 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 of the Company.

The constitution and attendance of the members at the SR Committee Meeting is given at Table 10.

Table 10: Composition and Attendance Record of Stakeholders Relationship Committee Meetings*

Name of Director (S/Sri/Smt)	Category	Attendance
Ranjit Sreenivas, Chairman (Chairman upto 17/05/2020 & Member w.e.f 18/05/2020)	Independent Director	1/1
G. Ramasamy, Chairman (Chairman w.e.f. 18/05/2020)	Independent Director	NA
Jagdish P. Joshi, Member	Independent Director	1/1
N. Vidyananda, Member (upto 29/02/2020)	Director (Production and Projects)	1/1
K.V. Bhaskara Reddy, Member (w.e.f. 01/03/2020)	Director (Production and Projects)	NA
T. Saminathan, Member	Director (Commercial)	1/1

[Note: The Committee was reconstituted on 21/05/2019, 13/11/2019 and 18/05/2020.]

Company Secretary is the Compliance Officer of the Company. There was no grievance received from any of the shareholder during the year. Securities and Exchange Board of India (SEBI) has introduced online compliant redressal system namely SEBI Complaint Redressal System (SCORES). During the year, no complaint was received through SCORES.

The total number of Meetings along with the date on which they were held during the Financial year 2019-20 are given at Table 11.

Table 11: Stakeholders Relationship Committee Meetings

Sl. No.	Meeting No.	Date of Meeting	Intervening Gap
1	2 nd	10/02/2020	-

5. Risk Management Committee

In pursuance to Regulation 21 of the SEBI (LODR) Regulations, 2015 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 inter-alia includes the following:

- Review and monitoring the Risk Management Policy, Risk Management Plan and Risk Management Process of the Company from time to time.

- Approve and inform the Board about Risk identification, Assessment, Control and Mitigation Procedure.
- Review and monitor Cyber Security Risks.
- Review of Project Risk Management Plan.
- Review reports periodically on Risk Management Compliance certification and status of implementation.

The constitution of the members at the Risk Management Committee is given at Table 12.

Table 12: Composition of Risk Management Committee and Attendance Record

Name of Director (S/Sri/Smt.)	Category	Attendance
Ranjit Sreenivas, Chairman (Chairman w.e.f.13/11/2019)	Independent Director	1/1
K.V. Bhaskara Reddy (Member w.e.f. 01/03/2020)	Director (Production and Projects)	NA
S K Gorai, Member	Director (Finance)	2/2
T. Saminathan, Member	Director (Commercial)	2/2
Madhav Lal, Chairman (Chairman upto 12/11/2019 & Member upto 25/11/2019)	Independent Director	1/1
N. Vidyananda, Member (Member upto 29/02/2020)	Director (Production and Projects)	2/2

[Note: The committee was re-constituted on 13/11/2019.]

The total number of Meetings along with the date on which they were held during the Financial year 2019-20 are given at Table 13.

Table 13: Risk Management Committee Meetings

Sl. No.	Meeting No.	Date of Meeting	Intervening Gap
1	1 st	12/11/2019	-
2	2 nd	10/02/2020	89

6. 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, 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:

- 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.
- 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.

The composition of the IPAM Committee as on 31/03/2020 and the attendance of the members at the Meeting are given at Table 14.

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

Name of Director (S/Sri/Smt.)	Category	Attendance
Madhav Lal, Chairman (Chairman up to 12/11/2019 & Member upto 25/11/2019)	Independent Director	1/1
Jagdish P. Joshi, Chairman (Chairman w.e.f. 13.11.2019)	Independent Director	2/2
Dr. Deepika Sharma, Member (Member up to 12/11/2019)	Independent Director	1/1
N Vidyananda, Member (Member up to 29/02/2020)	Director (Production and Projects)	2/2
K V Bhaskara Reddy, Member (Member w.e.f. 01/03/2020)	Director (Production and Projects)	N.A.
S.K Gorai, Member	Director (Finance)	2/2
T Saminathan, Member	Director (Commercial)	2/2

[Note: The committee was re-constituted on 21/05/2019 & 13/11/2019.]

The total number of Meetings along with the date on which they were held during the Financial Year 2019-20 are given at Table 15.

Table 15: Investment, Project Appraisal & Monitoring Committee Meetings

Sl.No.	Meeting No.	Date of Meeting	Intervening Gap
1	17 th	12/11/2019	-
2	18 th	13/12/2019	30

Separate Meeting of Independent Directors

In pursuance to Regulation 25(3) of the SEBI (LODR) Regulations, 2015, the 6th Meeting of Independent Directors held once during the year on 12/02/2020 to discuss issues as defined in the Para VII of Schedule IV of Companies Act, 2013 and DPE Guidelines. The Meeting was attended by all the four Independent Directors. In this Meeting, Independent

Directors assessed the quality, quantity and timeliness of flow of information between the Company management and the Board which is necessary for the Board to effectively and reasonably perform their duties.

Ministry of Corporate Affairs vide Notification dated 5th July, 2017 has exempted Government Companies from applicability of clause (a) and (b) of sub-paragraph (3) of paragraph VII of Schedule IV of the Companies Act, 2013 which requires that the Independent Directors in their separate Meeting shall review the performance of non-independent directors, performance of the Board as a whole, performance of the Chairman 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 5th June 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 5th June, 2015 has exempted Government Companies from the provisions of Section 178 (2) which provides about manner of performance evaluation of Board of Directors, Committee of Board of Directors and director by the Nomination & Remuneration Committee. 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.

It may also be noted that KIOCL enters into Memorandum of Understanding (MoU) with Government of India each year, containing key performance parameters for the Company. The MoU targets are cascaded down and form an integral part of the performance appraisal of the individuals. The performance of the Company is evaluated by the Department of Public Enterprise vis-à-vis MoU entered into with the Government of India. Hence, no separate policy was framed by the Board to evaluate the performance of Board members.

The appointment / remuneration and other matters in respect of other KMPs and Senior Management are governed by the Company's Recruitment and Promotion Rules and other related manuals as approved / amended by the Board of the Company from time to time.

Hence, the Board has adopted the appointment / remuneration etc. of KMPs and Senior Management Personnel as per the Company's Recruitment and Promotion Rules and other related manuals.

Remuneration to Directors

Whole-time Directors

Being a Central Government Public Sector Enterprise, the appointment, tenure and remuneration of Directors are decided by Government of India. The Government order indicate the detailed terms & conditions of the appointment of Directors, including the period of appointment. Pursuant to the provisions of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details of remuneration paid to Functional Directors during Financial Year 2019-20 are annexed to this Report.

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. None of the Govt. Nominee Directors had any pecuniary relationship or transactions with the Company during the year.

Independent Directors

Independent Directors are paid sitting fee of ₹ 20,000/- per Meeting of the Board and ₹ 15,000/- per Meeting of the Committee of the Board attended, 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. Details of sitting fees paid to the Independent Directors during Financial Year 2019-20 is annexed to this report. There was no payment of commission to the Board of Directors nor any stock option scheme offered to them during the year.

Extract of Annual Return

In terms of Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in form MGT -9 is annexed to the report.

Explanations or Comments by the Board on every qualification, reservation or adverse remark or disclaimer made by Auditor

Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made by Auditor in his report are annexed to this Report.

Adequacy of Internal Financial Controls with reference to the Financial Statements (Rule 8(5) (VIII) of the Companies Accounts (Rules), 2014

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 passed by the Courts/Regulators

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

CEO and CFO Certification

As required by Reg. 17(8) and Part B of Schedule-II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 to the Company for the Financial Year 2019-20.

Risk Management

Pursuant to the requirement of Regulation 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted a Board level Risk Management Committee w.e.f. 26/03/2019. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report. The Company has a robust Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risk trend, exposure and potential impact analysis at a Company level and plan to mitigate as also separately for business segments.

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

Date	AGM	Location	Time	Special resolutions Passed at the Meeting
03/09/2019	43 rd	Conference Hall No.1, Golden Jubilee Block, St. John's Medical College, Sarjapur Main Road, Koramangala, Bengaluru- 560 034	12:00 Noon	No Special resolution was Passed
31/08/2018	42 nd	Registered Office at Bengaluru		
31/08/2017	41 st			

The 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

One Special Resolution is proposed to be conducted during the 44th AGM. The details of the same is provided in the Notice of 44th 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	30/06/2019	30/09/2019	31/12/2019	31/03/2020
Date of Publication	07/08/2019	14/11/2019	13/02/2020	27/06/2020 & 29/06/2020
Name of Newspapers				
English	Business Line and Business Standard	Business Line and Business Standard	Business Line and Business Standard	Business Line and Business Standard
Kannada	Prajavani	Prajavani	Prajavani	Prajavani

The Quarterly/Annual results are also made available at the website of the Company- www.kioclltd.in. Date of Board Meetings to adopt financial results and Date of Annual General Meeting etc., are also published in widely circulated National Newspapers.

Dividend Payment Date

- Dividends were paid within 30 days of declaration as per the provisions of the Companies Act, 2013.
- Final Dividend of ₹ 0.70 per share was recommended for the approval of shareholders by the Board in its Meeting held on 25.06.2020 and the same will be paid through Electronic mode of payment.

Distribution of Shareholding as on March 31, 2020

No. of shares held	No. of holders	% to holders	No. of Shares	% to equity
1	406	4.17	406	0.00
2-10	1338	13.75	9043	0.00
11-50	2580	26.52	84204	0.01
51-100	1997	20.52	180727	0.03
101-200	1343	13.80	227944	0.04
201-500	1089	11.19	385886	0.06
501-1000	470	4.83	361486	0.06
1001-5000	452	4.65	935245	0.15
5001-10000	27	0.28	178674	0.03
10001 and above	28	0.29	619561950	99.62
Total	9730	100.00	621925565	100.00



[View of 43rd Annual General Meeting held on 03/09/2019]

General Shareholders Information

Annual General Meeting for the Financial Year 2019-20

Day and Date	Tuesday, the 29 th September, 2020.
Time	12 : 00 Hrs.
Venue	The Company is conducting the Meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

Financial Year

The Company's Financial Year is from 1st April to 31st March.

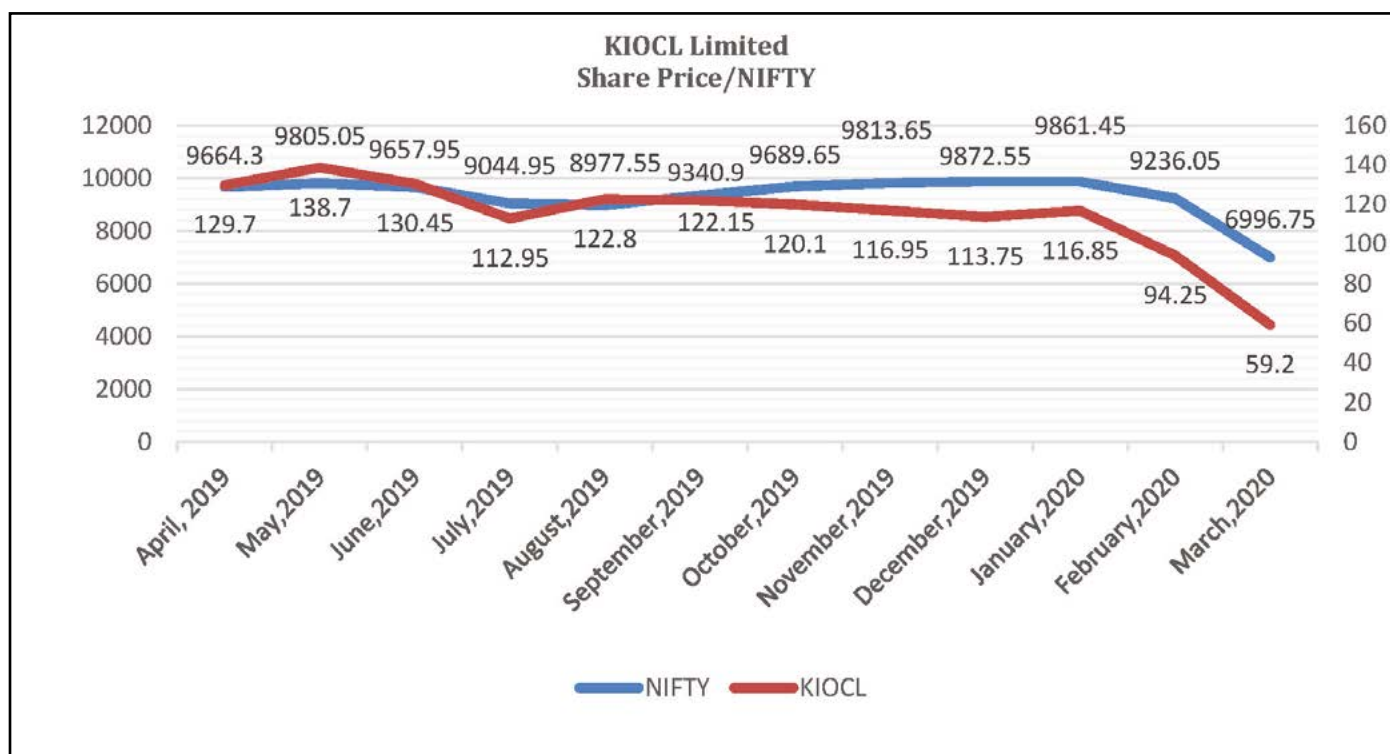
Company's Equity Shares are listed on the following stock exchanges with Stock/Scrp Code

Sl. No.	Stock Exchange where equity shares are listed	Security Code / Symbol
1.	National Stock Exchange of India Limited (NSE)	KIOCL
2.	BSE Limited (BSE)	540680 / KIOCL
3.	Metropolitan Stock Exchange of India Limited (MSEI)	KIOCL

Listing fees for the Financial Year 2020-21 has been paid.

The Company's share performance

Compared to NSE NIFTY 500



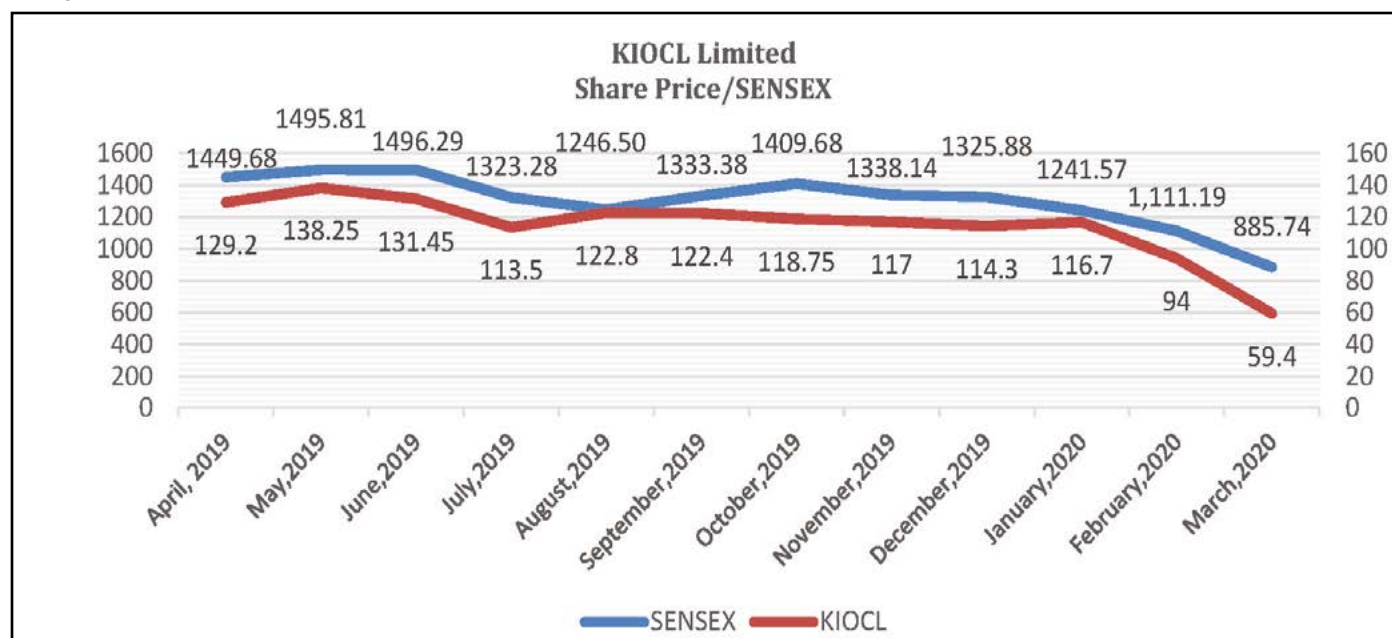
Custodial Fees to Depositories

Your Company had paid annual custodial / issuer fees for the Financial Year to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

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

Month	NSE			BSE		
	High	Low	Closing	High	Low	Closing
April, 2019	145.60	126.10	129.70	145.75	115.00	129.20
May, 2019	147.00	114.80	138.70	146.50	114.55	138.25
June, 2019	139.00	116.15	130.45	149.00	118.10	131.45
July, 2019	137.35	108.00	112.95	133.80	109.20	113.50
August, 2019	144.85	109.90	122.80	137.30	110.00	122.80
September, 2019	135.00	116.65	122.15	135.00	117.15	122.40
October, 2019	133.80	116.00	120.10	135.00	110.00	118.75
November, 2019	141.90	115.40	116.95	141.85	116.55	117.00
December, 2019	119.50	104.25	113.75	118.50	107.65	114.30
January, 2020	130.95	110.95	116.85	130.00	112.00	116.70
February, 2020	120.55	93.00	94.25	124.95	93.15	94.00
March, 2020	101.90	44.70	59.20	99.00	46.35	59.40

Compared to BSE CPSE SENSEX

**Registrars and Transfer Agents**

M/s Integrated Registry Management Services Private Limited.

Regd. Ofce: 30, Ramana Residency,
4th Cross, Sampige Road, Malleswaram,
Bengaluru – 560 003

Tel. No.: 080-23460815-818

Email id: irg@integratedindia.in

Shareholding Pattern as on March 31, 2020

Category	Number of shares	Shares in demat mode	Shares in Physical mode	% of Shareholding
Central Govt.	61,60,51,204	61,60,51,204	0	99.06
Mutual Funds/UTI	6,77,612	6,77,612	0	0.11
Financial Institutions/Banks	12,97,870	12,97,870	0	0.21
Foreign Portfolio Investors	0	0	0	0
Insurance Companies	8,90,300	8,90,300	0	0.14
Bodies Corporate	2,37,584	2,37,284	300	0.04
Resident Indians & others	27,70,995	27,20,529	50,466	0.44
Total	62,19,25,565	62,18,74,799	50,766	100.00

Share Transfer System

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

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, 2020, 99.99% of the Company's total paid up capital representing 621,874,799 shares are in dematerialized form.

Outstanding GDRs/ADRs/Warrants

There are no outstanding GDRs/ADRs/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 - 560 034
Telefax: 080-25531525
E-mail: cs@kioclltd.com

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 years. 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 2011-12 (Final) 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. Shareholders are advised to visit the website and claim the unclaimed dividend, if any.

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). Further, the Rules mandate that the shares on which dividend has not been paid or claimed for seven consecutive years or more be transferred to the IEPF.

The following table provides a list of years for which unclaimed dividends as on 31/03/2020 and their corresponding shares would become eligible to be transferred to the IEPF on the dates mentioned below:

Dividend for the year	Type of Dividend	Account No.	Dividend per Share (₹)	Date of Declaration	Due date for transfer to IEPF	Unclaimed amount (in ₹)
2012-13	Final	0693103000000091	0.10	11/09/2013	12/10/2020	35,020.00
2013-14	Final	0693103000000107	0.13	15/09/2014	16/10/2021	5,825.82
2014-15	Final	0693103000000116	0.10	09/09/2015	10/10/2022	4,233.00
2016-17	Interim	0693103000000125	0.11	10/02/2017	11/03/2024	4,219.27
2016-17	Final	0693103000000134	0.26	15/09/2017	16/10/2024	13,376.74
2017-18	Interim	0693103000000143	0.27	31/03/2018	01/04/2025	15,984.27
2017-18	Final	201002713091	0.79	14/09/2018	15/10/2025	44,890.96
2018-19	Final	21003694672	1.33	01/10/2019	02/10/2026	60883.41

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 <http://www.iepf.gov.in/IEPF/refund.html>.

Dividend remitted to IEPF during last three years

Year	Type of Dividend	Dividend declared on:	Date of transfer to IEPF	Amount transferred to IEPF (₹)
2011-12	Final	21/06/2012	25/07/2019	102,963.00
2010-11	Final	06/08/2011	03/10/2018	6,405.00
	Interim	14/01/2011	09/01/2018	855.00
2008-09	Final	22/08/2009	27/08/2019	4,832.00

Shares Transferred to IEPF

During the year, the Company transferred 1,750 shares on 28/08/2019 to IEPF Authority. The shares transferred were on account of dividends unclaimed for seven consecutive years.

Nodal Officer to Co-ordinate with IEPF Authority

Sri P K Mishra, Company Secretary has been designated as Nodal Officer of the Company for the purpose of coordination with IEPF Authority. Contact details of Nodal officer are as follows: Email Id: - cs@kioclltd.com, Telefax: -080-25531525

Details of Resolution passed through Postal Ballot

During the year under review, no resolution has been passed through the exercise of postal ballot.

Shareholders Voting

Shareholders are requested to cast their votes on the resolutions mentioned in Notice of the 44th 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 22/09/2020.

- **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.

The MCA vide general circulars dated 8th April, 13th April & 5th May, 2020 read with SEBI Circular dated 12th May, 2020 have mandated the Listed entities to hold the AGM through Video Conference or any other Audio Visual means and to provide the remote e-voting facility before the AGM and e-voting facility during the AGM. This requirement of holding the AGM through video conference is for this year only due to COVID – 19 Pandemic. 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.

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:

A. Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large	No transactions entered into with Related Parties as defined under the Companies Act, 2013 and Para A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the Financial Year 2019-20 which attract the provisions of Section 188 of the Companies Act, 2013, as such annexure AOC-2 is not furnished.
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) have imposed penalty for non-compliance of Regulation 17(1) of SEBI (LODR) Regulations, 2015 with regard to composition of the Board w.e.f. 30 th September 2018 to 31 st March 2020 in compliance with SEBI Circular No. SEBI/HO/CFD/ CMD/ CIR/P/2018/77 dated 03/05/2018.

Financial Calendar for 2020-21 (Tentative)

1 st Quarter ending June 30, 2020	on or before 14/08/2020
2 nd Quarter ending September 30, 2020	on or before 14/11/2020
3 rd Quarter ending December 31, 2020	on or before 14/02/2021
4 th Quarter ending March 31, 2021	on or before 30/05/2021
AGM for the year 2020-21	on or before 30/09/2021

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 of 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.

Book Closure

The Register of Members and Share Transfer Books of the Company shall remain closed from 23/09/2020 to 29/09/2020 (both days inclusive).

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
 Fax: 080-25532153-5941
 Website: www.kioclltd.in

	<p>The Board had noted the non-compliance and fine levied by Exchange(s) and advised the Company to refer to the Ministry of Steel, Government of India for filling the vacant post of Independent Directors and seek exemption from Stock Exchange(s) from payment of fine levied, since the PRESIDENT OF INDIA, acting through Ministry of Steel has sole power to appoint Directors on the Board of the Company.</p> <p>The Company is regularly taking up with Ministry of Steel for appointment of requisite number of Independent Directors.</p>
C.	<p>Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel have been denied access to the audit committee</p> <p>Whistle Blower Policy duly approved by the Board of Directors is hosted on Company website and no personnel have been denied access to the Audit Committee.</p>
D.	<p>Details of compliance with mandatory requirements and adoption of the nonmandatory requirements</p> <p>Complied</p>
E.	<p>Web link where policy for determining 'material' subsidiaries is disclosed</p> <p>Not Applicable</p>
F.	<p>Web link where policy on dealing with related party transactions</p> <p>https://www.kiocltd.in/user/cms/90</p>
G.	<p>Disclosure of commodity price risks and commodity hedging activities.</p> <p>Not Applicable</p>
H.	<p>Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).</p> <p>Not Applicable</p>
I.	<p>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.</p> <p>Certificate from a Company Secretary in Practice is annexed to the Board's Report.</p>
J.	<p>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 to 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.</p> <p>Not Applicable</p>
K.	<p>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.</p> <p>Total fees paid for all services to the statutory auditors amounts to ₹11.35 lakhs including reimbursement, audit, taxation and other services fees.</p>
L.	<p>Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013</p> <p>Disclosures forms part of the Board's Report.</p>

Non-Compliance

In pursuance to Schedule V (C) (11) of the SEBI (LODR) Regulations, 2015, we report non-compliance to Regulation 17(1) of SEBI (LODR) Regulations, 2015 regarding composition of Board of Directors as two Independent Director posts including One Woman Independent Director are lying vacant.

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

<p>A. The Board</p> <p>A non-executive chairperson may be entitled to maintain a Chairperson's Office at the listed entity's expense and also allowed reimbursement of expenses incurred in performance of his duties.</p>	<p>Currently, Chairman is an Executive Chairman.</p>
<p>B. Shareholder Rights</p> <p>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.</p>	<p>Results are placed on the Company's website and published in leading newspapers.</p>
<p>C. Modified opinion(s) in Audit Report</p> <p>The listed entity may move towards a regime of financial statements with unmodified audit opinion.</p>	<p>Statutory Auditors have given unmodified opinion on the Financial Results for the period ended on 31st March, 2020 and a declaration to that effect to the Stock Exchange(s) was given while publishing the Annual Audited Financial Results on the website of the Company as per Regulation 33(3)(d) of the SEBI Regulations.</p>
<p>D. Separate Posts of Chairperson & CEO</p> <p>The listed entity may appoint separate person to the post of Chairperson and Managing Director or Chief Executive Officer.</p>	<p>Ministry of Steel has appointed Chairman-cum-Managing Director and there is no separate post of Chairperson and Managing Director or Chief Executive Officer.</p>
<p>E. Reporting of Internal Auditor</p> <p>The Internal Auditor may report directly to the Audit Committee.</p>	<p>Internal Auditor reports to the Audit Committee.</p>

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 Regulations 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. BUSINESS OVERVIEW

India is currently the world's 2nd largest producer of crude steel producing 111.2 Million Tons in 2019 with growth rate 1.8% over the corresponding period last year. India is also the world's second largest consumer of finished steel at 101.50 million tons in 2019 with a growth of 4.9% over 2018. Apparent per capita consumption of steel in India increased by 3.9% to 74.3kgs in 2019.

The growth in the Indian steel sector has been driven by domestic availability of raw materials such as iron ore and cost-effective labour. Consequently, the steel sector has been a major contributor to India's manufacturing output. Indian domestic crude steel production capacity has expanded from 109.85 Million Tons Per Annum (MtPA) in 2014-15 to 142.24 MtPA in 2018-19, at a Compounded Annual Growth Rate (CAGR) of 6.8% during this five-year period. Also, crude steel production grew at 7.6% annually (CAGR) from 88.98 MtPA in 2014-15 to 110.92 MtPA in 2018-19.

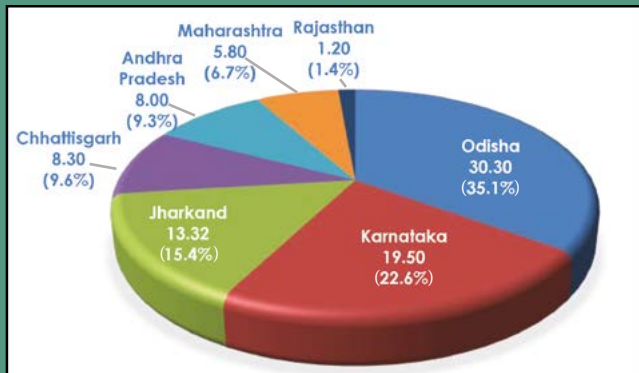
Outbreak of COVID-19 pandemic is inflicting high and rising human costs worldwide and the necessary protection measures are severely impacting economic activity. IMF forecasts that, as a result of the Pandemic, the global economy is projected to contract sharply by 3 percent in 2020, much worse than during the 2008-09 financial crisis. In a baseline scenario which assumes that the pandemic fades out during the second half of 2020 and containment efforts can be gradually unwound the

global economy is projected to grow by 5.8 percent in 2021 as economic activity normalizes, helped by policy support. The risks for even more severe outcomes, however, are substantial. There is extreme uncertainty around the global growth forecast. The economic fallout depends on factors that interact in ways that are hard to predict, including the pathway of the pandemic, the intensity and efficacy of containment efforts, the extent of supply disruptions, the repercussions of the dramatic tightening in global financial market conditions, shifts in spending patterns, behavioral changes, confidence effects and volatile commodity prices. Many countries face a multi-layered crisis comprising a health shock, domestic economic disruptions, plummeting external demand, capital flow reversals and a collapse in commodity prices. Risks of a worse outcome predominate.

Worldsteel forecasts that in 2020, steel demand will contract by 6.4%, dropping to 1,654 Mt due to the COVID-19 crisis. In 2021 steel demand is expected to recover to 1,717 Mt, an increase of 3.8 % over 2020. Chinese steel demand is expected to increase by 1.0% in 2020. Further, steel demand in the developed economies is expected to decline by 17.1% in 2020 and steel demand in India is expected to contract by 18% in 2020.

The GDP growth of major steel producing country China is expected to grow at 1.2% only in 2020 as against 6.1% in 2019 and to grow by 9.2% in 2021. The GDP growth of India is expected to grow at 1.9% only during 2020 as against 4.2% in 2019 and is expected to grow by 7.4% in 2021.

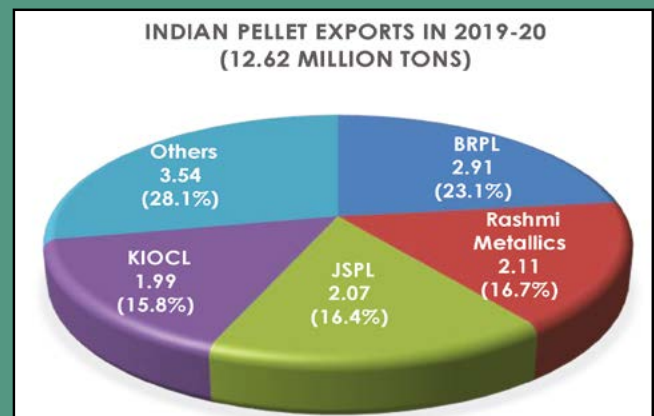
B. PELLET SCENARIO



During the Financial Year 2019-20, total production of pellets in India was about 69.00 million tons and KIOCL produced 2.375 million tons of pellets.

Pellet exports from India stood at 12.62 million tons during 2019-20 as against 9.22 million tons in the previous year. KIOCL with export volume of 1.99 million tons stood 4th after BRPL, Rashmi Metallica and JSPL whose export volumes were at about 2.91, 2.11 and 2.07 million tons respectively.

The pellet production capacity in India presently stands at about 86 million tons. Odisha tops the production capacity with 35% of the total capacity at 30.30 million tons and Karnataka stands second at 22.6% with a capacity of 19.50 million tons. Around 50% of pellet capacity is by integrated steel mills which use pellets for captive consumption and the rest is from merchant pellet manufacturers.

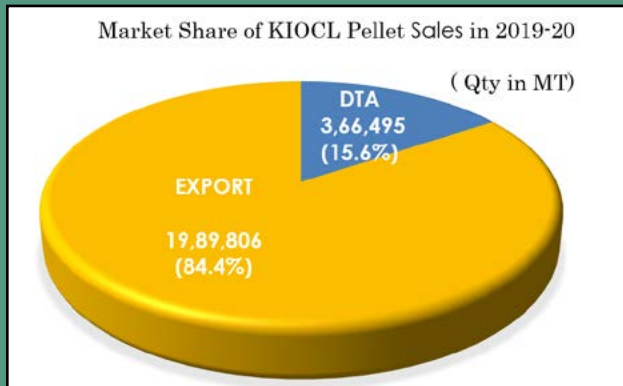


During 2019-20, KIOCL produced 2.375 Mt and dispatched 2.356 Mt of pellets. The production and sales are the highest since

closure of captive mines at Kudremukh in 2006. KIOCL exported 1.99 Mt of pellets which is also the highest since closure of captive

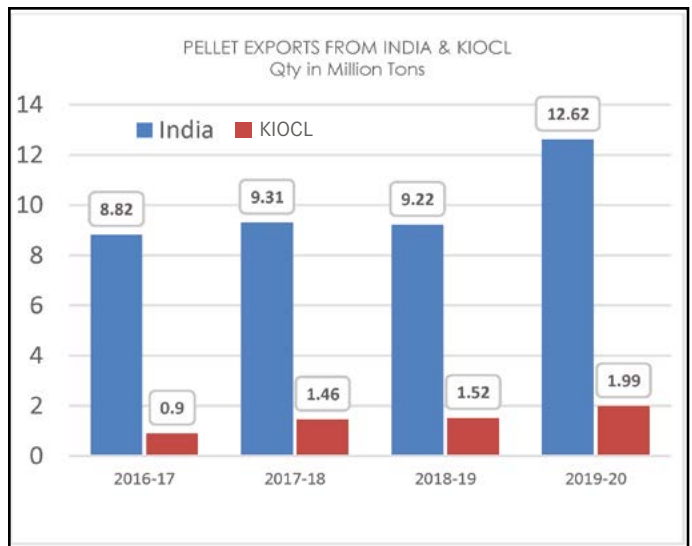
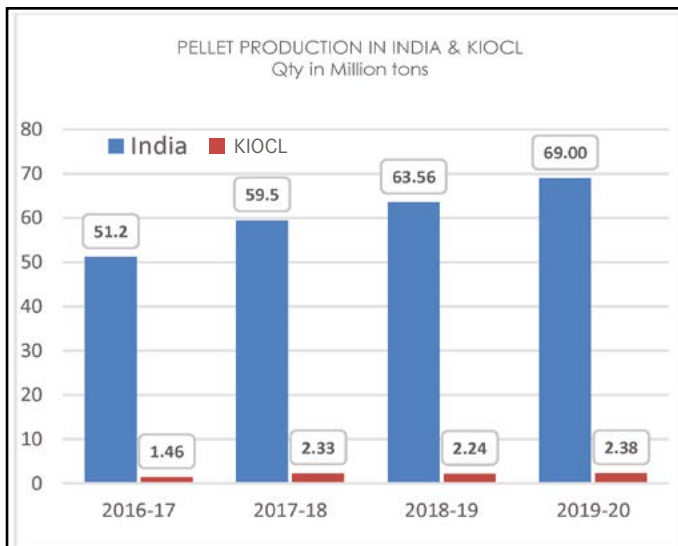
mines. Major highlight of dispatches during the year was exports made to markets other than China, to Steel Mills in Middle East,

UK, Japan, South Korea, Brazil etc of about 43 % of the total exports. Middle East alone contributed for 29.3 % of total exports.



KIOCL is making all efforts to diversify its market base and minimize dependence on few markets. During the year about 43% of the total exports made were to markets other than China, to Steel Mills in Middle East, UK, Japan, South Korea, Brazil etc. Middle East alone contributed for 29.3 % of total exports, from 10% during the previous year.

C. DOMESTIC PELLET PRODUCTION & EXPORT VIS-À-VIS KIOCLs SHARE



D. FINANCIAL PERFORMANCE IN RELATION TO OPERATIONAL PERFORMANCE

a) The Financial performance of the Company for the year 2019-20 in brief is furnished below:

Particulars	(₹ in Crores)	
	2019-20	2018-19
Revenue from Operations	1937.65	1887.71
Profit /(Loss) Before Tax for the year	63.68	184.12
Profit /(Loss) After Tax	43.48	111.86

b) Cash Flow information:- An abstract of Cash Flow statement for the year ended on 31st March 2020 is as under:

(₹ in Crores)	
A) Cash and Cash Equivalent as at 01.04.2019	515.19
B) Net Cash from Operating Activities	(21.76)
C) Net Cash from Investing Activities	48.54
D) Net Cash used in Financing Activities	(112.17)
E) Cash and Cash Equivalent as at 31.03.2020	429.80

E. PRODUCT-WISE PERFORMANCE

The production target vis-a-vis actual achievement with capacity utilization during last five years including current year is depicted as under: -

Year	MoU Target	(Qty. In Million Tons)	
		Actual Production	Utilization of installed Capacity in %
2019-20	2.300	2.375	68
2018-19	2.170	2.238	64
2017-18	1.925	2.327	66
2016-17	1.300	1.460	42
2015-16	1.800	0.100	3

[Installed capacity of Pellet Plant is 3.500 Million Tons / Annum.]

F. SWOT ANALYSIS

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

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
- Material Handling advantage
 - ◆ Proximity to National Highway, Railway line & Port.
 - ◆ Shore based Pellet Plant with dedicated berth and mechanical ship loading facility.
 - ◆ Qualified, skilled and experienced manpower in both executives and non-executives' cadres that are suitable for other upcoming projects.
 - ◆ Well defined HR policies.
 - ◆ 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

Weakness

- Raw Material Sourcing
 - ◆ Lack of a Captive Mine since 2006
 - ◆ Uneconomical to procure IOF 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.
 - ◆ 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 Pellets.

G. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Risk Based Internal Audit (RBIA) is in place in the Company since 2011. Risk Based Internal Audit (RBIA) was conducted in all the departments, unit wise during the year 2019-20. 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.

H. MATERIAL DEVELOPMENT IN HUMAN RESOURCES/ INDUSTRIAL RELATION FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The Company aims at providing motivation and growth opportunities for its employees. It also encourages them and creates an environment for best utilization of their skills in achieving the Company's objectives. During the year under report, 2253 man-days training were provided. Industrial Relations situation remained peaceful throughout the year. As on March 31, 2020, the Company had 805 employees on its rolls comprising of Executives including Non-Unionized Supervisors and Non-Executive Employees

I. KEY FINANCIAL RATIOS:

Particulars	2019-20	2018-19
Current Ratio	7.90	9.06
Operating profit as a % of Revenue from Operations	(2.85)	3.56
Net Profit Margin (%)	2.24	5.93
PAT / Average Net Worth (%)	2.22	5.40
Return on Assets (%)	1.83	4.82
Return on Average Net Worth (%)	2.22	5.40
Return (EBIDITA) on Average Capital Employed (%)	4.81	9.26
Market to Book Ratio	1.92	4.43

J. DETAILS OF ANY CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH A DETAILED EXPLANATION THEREOF.

Return on Average Network has been decreased by 3.18 % as compared to the previous Financial Year. The increase / decrease is on account of reduction of contribution in Pellets sales.

K. FUTURE OUTLOOK

Worldsteel forecasts that in 2020, steel demand will contract by 6.4%, dropping to 1,654 Mt due to the COVID-19 crisis. In 2021 steel demand is expected to recover to 1,717 Mt, an increase of 3.8 % over 2020. This year's reduction in global steel demand will be mitigated by an expected faster recovery in China than in the rest of the world. The forecast assumes that most countries' lockdown measures continue to be eased during June and July, with social distancing controls remaining in place, and that the major steelmaking economies do not suffer from substantial secondary waves of the pandemic.

The COVID-19 crisis, with its disastrous consequences for public health, also represents an enormous crisis for the world economy. Steel makers have been hit by a general freeze in consumption, by shutdowns and by disrupted supply chains. Therefore, it is expected that steel demand will decline significantly in most countries, especially during the second quarter. With the easing of restrictions that started in

May, the situation is expected to gradually improve, but the recovery path will be slow.

Most countries have been gradually reopening from their lockdowns since mid-May and recovery of economic activities is expected in the third quarter. As economies are reopening without a vaccine or cure in place, significant downside risks exist. Coming out of the lockdown ahead of other countries, China's economic recovery started in late February. Its economy is fast approaching normalisation, except for the hospitality and tourism sectors. Chinese steel demand is expected to increase by 1.0% in 2020. Also, the benefit from infrastructure projects initiated in 2020 is expected to carry over and support steel demand in 2021.

Steel demand in the developed economies is expected to decline by 17.1% in 2020 and steel demand in India is expected to contract by 18% in 2020.

Further, being a zero debt Company with satisfactory equity base and pool of technical manpower, your Company has envisaged a CAPEX of ₹ 3553 Crs towards various long term / short term expansion / diversifications. The following projects are in different stages of implementation: -

Development of Devadari Iron Ore Block

Brief of Project	<ul style="list-style-type: none"> Develop Iron ore Mine of capacity 2.0 MTPA Set up 2.0 MTPA capacity Beneficiation Plant. Set up 2.0 MTPA capacity Pellet Plant
Time Schedule	24 months from the date of placement of order on the Main technological package supplier for Beneficiation Plant.
CAPEX	₹ 1500 – 2000 Crores
Status	<ul style="list-style-type: none"> Mine plan approved by IBM. Process for obtaining Environment & Forest clearance from MoEF & CC, GoI are under progress.

Setting up of 1.80 LTPA Coke oven plant and 2.0 LTPA DISP Plant with Modernization of BFU.

Brief of Project	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.
Time Schedule	24 months from the date of placement of order on the Main technological package supplier.
CAPEX	₹ 836.90 Crores
Status	The EPCM Consultant appointed and tendering action for finalization of the agency for DISP, Coke oven, Waste Heat Recovery Power Plant and Pulverized Coal Injection Plant projects are under progress. Due to lock-down amid COVID-19 Pandemic, the process delayed.

Setting up of 5 MW Solar Power Plant in Karnataka

Brief of Project	Setting up of 5.0 MWac Captive Solar Power Plant - To support Gol's National Solar Mission, KIOCL intends to set up a 5 MWac (6.5 MWp) solar power plant in the State of Karnataka.
Time Schedule	6 months from the date of placement of order.
CAPEX	₹ 24.17 Crores
Status	The EPC contractor has identified a land and agreement for sale of land registration is expected shortly.

Modernization of Pellet Plant Unit, Mangaluru.

Brief of Project	<ul style="list-style-type: none"> • Installation of Barrel Type Blender Reclaimer • Installation of 4 Nos. of Vertical Pressure Filters • ERP Implementation
Time Schedule	<ul style="list-style-type: none"> • 9 months for Reclaimer • 18 months for Vertical Pressure Filters • 24 months for ERP
CAPEX	<ul style="list-style-type: none"> • ₹ 17.60 Crores for Reclaimer • ₹ 158.60 Crores for Vertical Pressure Filters • ₹ 17.09 Crores for ERP [Est.]
Status	<ul style="list-style-type: none"> • Work Order placed for a value of ₹ 17.50 Crores plus GST, with 31st March 2020, as the date of completion of project. However, the work has been stopped as Company invoked force majeure clause due to prevailing COVID-19 Pandemic situation in the country. • The Company floated open tender for design, engineering, manufacture, supply and supervision of erection, testing & commissioning of 04 nos of vertical plate pressure filters at Pellet Plant, Mangaluru. 02 offers received and same are under technical scrutiny. • Tendering is in progress.

Setting up of 2.0 MTPA Pellet Plant with M/s RINL at Vizag under Joint Venture.

Brief of Project	Setting up of 2.0 MTPA capacity Pellet Plant - High fluxed BF grade pellets will be produced in the plant keeping in line with the requirement in Blast Furnaces of RINL.
Time Schedule	24 months from the date of placement of order on the Main technological package supplier.
CAPEX	₹ 1032.80 Crores
Status	Technical Consultant engaged for obtaining the Environmental Clearance from MoEF and Consent for Establishment (CoE) from Andhra Pradesh State Pollution Control Board. Amendment in ToR for change of location is under process.

With the above initiatives, your Company is poised for a sustainable future overcoming its inherent challenges of single product and plant location away from mine head and consumer locations.

L. 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 can be identified by words such as 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', 'plans', 'outlook' and other words of similar meaning in connection with a discussion of future operating or financial performance. 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 factors. 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.



[Aerial view of Pellet Plant at Mangaluru]

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]

At KIOCL, Energy Conservation is ongoing process and efforts to conserve energy in all possible areas are continued uninterruptedly and sustainability is an integral part of the Company's business philosophy.

A: CONSERVATION OF ENERGY

a) Steps for utilizing alternate sources of energy: -

- I. 3.98 lakh units of solar power generated from BFU roof top solar power plant and 1.03 lakh units from CPP roof top solar power plant in financial year 2019-20.
- II. Self-owned 1.3 MWp DC (1 MW AC) ground mounted Solar power plant installed at BFU and operational since November, 2018. The total solar power generated till March 31, 2020 is 17.1 lakh units.
- III. As part of our effort towards cutting down the cost of energy consumed, we have purchased almost 13.38% of our total energy utilized in PP Unit from IEX. Further, we opted "Special Incentive Scheme" from MESCOM which is risk free as compared to IEX energy bidding resulting in a savings of ₹ 6.21 crores in the financial year 2019-20.

d) Energy Management

- a) Heat consumption is '000 K calories: -
2018-19 - 229.73
2019-20 - 233.17
- b) Energy consumption per ton in last two years: -
2018-19 - 67.85 Kwh/T
2019-20 - 66.99 Kwh/T

b) Steps taken towards Energy conservation

- i) Purchased renewable energy of 193.5 lakh units through wheeling which saved energy cost and fulfil the energy purchase obligation.
- ii) Purchased and installed energy efficient motors for conveyors.
- iii) LED fittings 200 nos have been replaced in place of conventional fluorescent tubes in various locations in PP Unit.
- iv) Energy efficient motor 110 KW for water pump and blower motors 22 KW were replaced and proposed for balance motors in a phased manner.

c) Investment towards Energy Conservation/impact of measures implemented.

Invested

- ₹ 80,000 /- towards procurement of LED fittings in PP unit.
- ₹ 1,70,000/- towards the procurement of energy efficient motor.

c) Energy consumption in PP unit: -

2018-19 - 151.85 Gwh
2019-20 - 155.23 Gwh

B: TECHNOLOGY ABSORPTION

Research & Development (R & D)

- ✓ Areas where R&D carried out by the Company.

- a) Optimization of Grinding media.
- b) Reduction in consumption of high chromium content of 28% grinding media.

- ✓ Outcome as a result of above R&D

- a) Initially we had tried with lower chromium content with 15.5% to 18% chromium which gave good results with wear rate of 450 to 500 grams per ton of production.
- b) Subsequently, it was proposed to go for further reduction in chromium content less than 14% with a view bring down the cost of grinding media. Accordingly, 250 Mt of very low chrome steel balls (12% to 14% Chromium) was tried. It was proved that the regular grinding media with 15.5% to 18% chromium which was being used is found to be more economical than the grinding media with 12% to 14% chromium tried under R&D.

- ✓ Expenditure on R & D

(₹ in lakhs)

	2018-19	2019-20
a) Capital	NIL	NIL
b) Revenue	12.00	151.00
c) Total	12.00	151.00
d) As % of total turnover	0.005	0.07

C: FOREIGN EXCHANGE EARNINGS & OUTGO

(₹ Lakhs)

	2018-19	2019-20
Foreign exchange earned	124,697.88	157,413.03
Foreign exchange used	34,829.04	29,718.49

ANNEXURE TO BOARD'S REPORT
EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED 31/03/2020

[PURSUANT TO SECTION 92(3) OF THE COMPANIES ACT, 2013 AND RULE 12(1) OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014]

FORM NO. MGT - 9

I. Registration and other details	
CIN	L13100KA1976GOI002974
Registration Date	02.04.1976
Name of the Company	KIOCL Limited
Category / Sub-Category of the Company	Company having Share Capital / Government Company u/s 2(45) of the Companies Act, 2013
Address of the Registered Office and contact details	II Block, Koramangala, Bengaluru - 560034, Karnataka
Whether listed company	Listed at: - a) National Stock Exchange of India Ltd. b) BSE Limited c) Metropolitan Stock Exchange of India Ltd.
Name, address and contact details of Registrar and Transfer Agent, if any	M/s Integrated Registry Management Services (P) Ltd. Regd. Office: 30, Ramana Residency, 4 th Cross, Sampige Road, Malleswaram, Bengaluru - 560003 Tel. No.: 080-23460815-81 Email id: irg@integratedindia.in

II. Principal Business Activities of the Company		
All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated:		
Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Iron Oxide Pellets	17100	96.97

III. Particulars of Holding, Subsidiary and Associates Companies				
Sl. No.	CIN/GLN	Holding/Subsidiary/Associate	% of shares held	Applicable Section
————— NIL —————				

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)									
i) Category-wise Shareholding									
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Promoters	616051204	-	616051204	99.06	616051204	-	616051204	99.06	-
Public Shareholding (Institutions)	3167274	100.00	3167374	0.51	2865782	-	2865782	0.46	-0.06
Public Shareholding (Non-Institutions)	2649541	57446	2706987	0.44	2957813	50766	3008579	0.48	0.04
TOTAL	621868019	57546	621925565	100.00	621874799	50766	621925565	100.00	-

ii) Shareholding of Promoters

Shareholders Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% change in shareholding during the year
	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
President of India	616051204	99.06	NIL	616051204	99.06	NIL	-

iii) Change in Promoters' Shareholding (Please specify, if there is no change)

Shareholding at the beginning of the year			Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	616051204	99.06	616051204	99.06
Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	Not Applicable as there is no change in the Promoter Shareholding during the year.			
At the end of the year	616051204		616051204	99.06

iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1 IN30081210000029 - GENERAL INSURANCE CORPORATION OF INDIA	1460953	0.23	1297870	0.21
2 IN30081210001728 - THE NEW INDIA ASSURANCE COMPANY LIMITED	730300	0.12	730300	0.12
3 IN30378610004683 - PNB REDEEMED SCHEMES - UNCLAIMED ACCOUNT	745209	0.12	625108	0.10
4 IN30081210000560 -THE ORIENTAL INSURANCE COMPANY LIMITED	160000	0.03	160000	0.03
5 IN30154931152417 - LALITHA MAHALINGAM	19550	0.00	94150	0.02
6 1601430101992349 - TUSHAR RANE	38679	0.01	70763	0.01
7 IN30300110049381 - GFC SECURITIES AND FINANCE LIMITED	70200	0.01	70200	0.01
8 IN30036010895597 - KUNAL AHUJA	0	0.00	70000	0.01
9 IN3037861002163 - MAGNUM BOND FUND 1994	52504	0.01	52504	0.01
10 1202470000502231 - SONAL AMRIT GANDHI	13500	0.00	36000	0.01
11 IN30113526464749 - MSPL LIMITED	50371	0.01	0	0.00
12 IN30211310008286 - ANIL KUMAR BAJAJ	46834	0.01	0	0.00

v) Shareholding of Directors and Key Managerial Personnel

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	Nil	Nil	200	0.00
Date wise Increase/Decrease in shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc):	Not Applicable		During the year Sri K.V. Bhaskara Reddy took the Charge of Director (P&P) w.e.f. 01/03/2020 and he is holding 200 shares of the Company since 1996.	
At the end of the year	200	0.00	200	0.00

V) Indebtness
Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the Financial Year				
Addition	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the Financial Year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration (S/Sri)	M.V Subba Rao, CMD	S.K Gorai, Director (Finance)	K.V. Bhaskara Reddy, Director (P&P) (w.e.f. 01/03/2020)	T. Saminathan, Director (Commercial)	N. Vidyananda, Director (P&P) (upto 29/02/2020)	Total Amount (In ₹)
1	Gross Salary						
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	45,26,713	40,09,977	3,28,406	39,93,578	88,46,242	2,17,04,916
	b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	6,71,707	5,93,051	-	5,90,090	7,86,476	26,41,324
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-	-	-
2	Stock Options	-	-	-	-	-	-

Sr. No.	Particulars of Remuneration (S/Sri)	M.V Subba Rao, CMD	S.K Gorai, Director (Finance)	K.V. Bhaskara Reddy, Director (P&P) (w.e.f. 01/03/2020)	T. Saminathan, Director (Commercial)	N. Vidyananda, Director (P&P) (upto 29/02/2020)	Total Amount (In ₹)
3	Sweat Equity	-	-	-	-	-	-
4	Commission	-	-	-	-	-	-
	- as % of profit	-	-	-	-	-	-
	- others, specify	-	-	-	-	-	-
5	Others, please specify Contribution towards Defined Contribution Pension Scheme	1,35,848	1,01,217	-	99,551	1,29,625	4,66,241
	Total (A)	53,34,268	47,04,245	3,28,406	46,83,219	97,62,343	2,48,12,481

B. Remuneration to other Directors:**1. Independent Directors (S/Sri)**

Particulars of Remuneration	Jagdish P. Joshi	N. Mohapatra (w.e.f. 21/10/2019)	Ranjit Sreenivas (w.e.f. 21/10/2019)	G. Ramasamy (w.e.f. 07/12/2019)	Madhav Lal (upto 25/11/2019)	Dr. Deepika Sharma (upto 30/01/2020)	Total Amount (In ₹)
Fee for attending Board/ Committee Meetings	3,45,000	75,000	1,05,000	55,000	2,60,000	2,65,000	11,05,000
-Commission	-	-	-	-	-	-	-
- Others, please Specify	-	-	-	-	-	-	-
Total (B)(1)	3,45,000	75,000	1,05,000	55,000	2,60,000	2,65,000	11,05,000
2. Other Non-Executive Directors							
Total (B)(2)	-	-	-	-	-	-	-
Total (B)= (B)(1) + (B)(2)	3,45,000	75,000	1,05,000	55,000	2,60,000	2,65,000	11,05,000

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (S/Sri)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel
		P.K Mishra, Company Secretary
1	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	17,44,376
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-
	(c) Profit in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-
2	Stock Options	-
3	Sweat Equity	-
4	Commission	-
	- as % of profit	-
	- others, specify	-
5	Others, please specify- Retirals	-
	please specify - Retirals	-
	Total (C)	17,44,376

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishment			None		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			None		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			None		
Compounding					

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

- 1. A brief outline of the Company's CSR policy, including overview of projects or programmes undertaken and a reference to the web-link to the CSR policy and projects or programmes.**

The CSR policy is available on Company website under link <https://www.kiocltd.in/user/cms/344>

2. Composition of the CSR Committee

To guide the CSR activities of the Company, we have in place a CSR Committee of the Board that constitutes Sri Nirmalendu Mohapatra, Chairman, Sri S.K Gorai, Member and Sri KV Bhaskara Reddy, Member

3. Average Net profit of the Company for last three Financial Years:

Average Net profit: ₹ 10047.47Lakhs

- 4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):**

₹ 200.95 Lakhs

Unspent amount carried forward amount from previous years - ₹ 7.13 Lakhs

Total amount allocated for financial year: ₹ 208.08 Lakhs

5. Details of CSR spend for the Financial Year:

- a. Total amount spent: ₹ 331.42 Lakhs
b. Amount unspent, if any: Nil

(a) The Manner in which the amount spent on CSR activities undertaken during the Financial Year is detailed below:

(₹ in Lakhs)

Sl. No.	Projects / Activities	Sector	Locations Districts (State)	Amount Outlay (Budget) Project or Programs Wise	Amount Spent on the project or programs	Cumulative Expenditure up to reporting period	Amount spent: Direct
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Contribution to Flood Relief Fund to support rehabilitation and reconstruction work in flood affected areas of Karnataka.	Disaster management, including relief, rehabilitation and reconstruction activities	Karnataka (Local Area)	27	27.31	27.31	27.31
2	Pure Drinking water facility with Reverse Osmosis Plant in Primary & Community Health Centers in Raichur District, Karnataka which is identified as aspirational districts	Health Care	Raichur Karnataka (Local Area)	15	15	15	15
3	Construction of class-room in Vishwaspurthi Samsthe Vidyamandir, Chorapur-Sandur (*)	Promotion of Education	Choranur-Sandur Karnataka (Local Area)	9	-	-	-
4	Construction of toilets at Govt. Primary School, Ranjithputra-Sandur (*)	Swachh Vidyalaya Abhiyan	Sandur Karnataka (Local Area)	5	-	-	-
5	Construction of class-room(1 No) in Sai Baba Pre-University College, Taranagar-Sandur	Promotion of Education	Sandur Karnataka (Local Area)	9	-	-	-
6	Construction of class-room in Prabhudevara Vikratha Matha School (Basaveshwara Hr. Primary),Sandur (*)	Promotion of Education	Sandur Karnataka (Local Area)	10	-	-	-

Sl. No.	Projects / Activities	Sector	Locations Districts (State)	Amount Outlay (Budget) Project or Programs Wise	Amount Spent on the project or programs	Cumulative Expenditure up to reporting period	Amount spent: Direct
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
7	Construction of toilets at Gnana Bharathi Vidyamandir, Krishna Nagar-Sandur(*)	Swachh Bharath Abhiyan	Sandur Karnataka (Local Area)	5	-	-	-
8	Construction of class-room in Ramakrishna Vidya-Mandir, Sandur (#)	Promotion of Education	Sandur Karnataka (Local Area)	7	-	-	-
9	Support for construction of School Building in Govt Higher Secondary School (GHSS), Munderi School, Kannur, Kerala (#)	Promotion of Education	Kannur Kerala	5	-	-	-
10	Procurement of Jute Bags from National Jute Board to support "Bring Your Own Bag" campaign as per the instructions of Ministry of Steel	Environment Sustainability	Bengaluru/ Mangaluru Karnataka (Local Area)	1	6.17	6.17	6.17
11	Support for planting of saplings at Chikkanayakanahalli, (#)	Environment Sustainability	Chikkanaya- kanahalli, Karnataka (Local Area)	2	-	-	-
12	Providing mid-day meals to School children through Akshaya Patra Foundation(**)	Eradicating Hunger, Poverty & Malnutrition	Mangaluru Karnataka (Local Area)	7	4	4	4
13	Support for construction of School Compound, providing Almirah, Computers and printers to Govt Hr. Primary School, Mestripalya, Bengaluru (**)	Promotion of Education	Bengaluru Karnataka (Local Area)	3	1.15	1.15	1.15
14	Support for purchase of equipments and training materials to start ITI courses for PWDS, by Amar Seva Sangam, Ayikudy, Tamilnadu	Promotion of Education/ Skill Development	Ayikudy Tamilnadu	5	6.64	6.64	6.64
15	Support for supply of nutritional items to Children's in Odisha(#)	Eradicating Hunger, Poverty & Malnutrition	Odisha	10	-	-	-
16	Contribution to Govt of Karnataka to combat COVID-19 situation	Health Care- Covid-19 /Disaster Management	Karnataka (Local Area)	-	15	15	15
17	Supply of monthly nutritional grocery items to Orphans at Samvedhana, Nanthoor, Mangaluru	Eradicating Hunger, Poverty & Malnutrition	Mangaluru Karnataka (Local Area)	3	3	3	3

Sl. No.	Projects / Activities	Sector	Locations Districts (State)	Amount Outlay (Budget) Project or Programs Wise	Amount Spent on the project or programs	Cumulative Expenditure up to reporting period	Amount spent: Direct
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
18	Renovation of Anganwadi Centre at Madikeri which was destroyed due to heavy rain during 2018	Promotion of Education	Madikeri Karnataka (Local Area)	5.73	5	5	5
19	Support for Sansad Adarsha Gram Yojna at Balpa Village, Sulia Taluk Construction of Class Room Construction of Yoga & Dhyana Mandira (*)	Community Development	Balpa, Sulia Karnataka (Local Area)	20	4.79	4.79	4.79
20	Promotion of education by providing infrastructural facilities like repair of school building, Urinals & toilets and Drinking water to DKZP, Hr. Primary School, Padmanoor, Kinnigoli, Mangaluru (*)	Promotion of Education	Kinnigoli, Mangaluru (Local Area)	3	0.43	0.43	0.43
21	Promotion of Swachh Bharath Abhiyan by Painting & White wash to school building at DKZP Primary School, Thanneerbhavi, Mangaluru	Promotion of Education/ Swachh Vidyalaya Abhiyan	Thanneerbhavi, Mangaluru (Local Area)	0.20	0.35	0.35	0.35
22	Promotion of education by providing infrastructural facilities like Constuction of Classroom, furniture, Smart class, Library, Laboratory etc to DKZP Hr. Primary School, Panjimogaru, Mangaluru (#)	Promotion of Education	Panjimogaru, Mangaluru (Local Area)	4	-	-	-
23	Promotion of education by providing infrastructural facilities like Construction of school compound, Urinals and Toliets, at DKZP model Hr. Primary School, Moodambail, Bantwala, Mangaluru (*)	Promotion of Education	Moodambail, Bantwal, Mangaluru. (Local Area)	4	2.20	2.20	2.20
24	Drinking water facility to DKZP Hr. Primary school, Baikampady (fisheries) Meenakaya, Mangaluru. (*)	Drinking water facility	Baikampady, Mangaluru (Local Area)	1	0.79	0.79	0.79
25	Construction of toilet block for Government Higher Primary School, Hosmar (Idu), Karkala Taluk, Udupi	Promotion of Education	Karkala Karnataka (Local Area)	4	4.70	4.70	4.70
26	Support for Construction of free boys hostel & community hall for Balasamrakshana Kendra, Orphanage, Kuttar Padav, Munnur Village, Mangaluru	Promotion of Education	Kuttar, Mangaluru (Local Area)	2	2	2	2

Sl. No.	Projects / Activities	Sector	Locations Districts (State)	Amount Outlay (Budget) Project or Programs Wise	Amount Spent on the project or programs	Cumulative Expenditure up to reporting period	Amount spent: Direct
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
27	Financial assistance to poor & meritorious student Kumari Divya of Kudremukh	Promotion of Education	Kudremukh Karnataka (Local Area)	0.15	0.15	0.15	0.15
28	Support for Refurbishment/ Renovation of Anganwadi Centre in Katipalla, Mangaluru (*)	Promotion of Education	Mangaluru Karnataka (Local Area)	5	-	-	-
29	Support for Refurbishment/ Renovation of Anganwadi Centre in Muthooru Grama Panchayath near Tharemar, Mangaluru (*)	Promotion of Education	Mangaluru Karnataka (Local Area)	9	-	-	-
30	Financial Assistance for Chess Tournament at Mangaluru (**)	Promotion of Sports	Mangaluru Karnataka (Local Area)	7	4.60	4.60	4.60
31	Support for installation of RO Plant & Cloth wash and drying equipment in District Prison in Mangaluru	Drinking water facility	Mangaluru Karnataka (Local Area)	10	10	10	10
32	Financial Assistance to Govt Higher Primary School, Melukote	Promotion of Education	Melukote Karnataka (Local Area)	1	1	1	1
33	Financial Assistance to Kum. Bhanu for cancer treatment, Shankara Cancer Hospital, Bengaluru	Health Care	Bengaluru Karnataka (Local Area)	1	1	1	1
34	Financial assistance to Rani Durgavathi Physical Sports Training Institute, Mandla District, Madhya Pradesh	Promotion of rural arts & culture	Mandla Madhya Pradesh	5	5	5	5
35	Support to conduct medical camp at Karnataka Public School, Agara, Bengaluru-WIPS	Health Care	Bengaluru Karnataka (Local Area)	0.15	0.14	0.14	0.14
36	Procurement of Masks & Sanitizers for Distribution to General Public	Health Care/ Prevention of Covid-19	Bengaluru Karnataka (Local Area)	0.41	0.41	0.41	0.41
37	Providing Drinking water facility/Unit to Rotary Bala Bhavan, KHB Colony, Bondel	Drinking water facility	Mangaluru Karnataka (Local Area)	0.59	0.59	0.59	0.59
38	Contribution to PM CARES Fund	COVID-19 Disaster management	-	1.85	210	210	210
TOTAL				208.08	331.42	331.42	331.42

Note:

- (*)
- SI No.3 -7 Project under execution stage. Amount will be released during FY 2020-21;
 - SI No.19, 20, 23, 24 Project under execution stage. Balance payment will be made during FY 2020-21;
 - SI No.28 & 29, Project of construction/refurbishment of anganwadi center is taken up in different place. Work under progress. Payment will be released during FY 2020-21.

(**)

- SI No.12 Expenditure incurred is ₹.4 Lakhs towards supply of Mid-Day Meals in Mangaluru. Balance amount diverted to Covid-19 to support Govt. in dealing with Covid-19 pandemic;
- SI No.13 Since there was a land dispute between school & locals, construction of compound was dropped. Remaining items such as computer, printer, almirah etc. was provided to school;
- SI No.30- Total Expenditure incurred under CSR is ₹ 4.60 lakhs

(#)

- SI No.8 Due to budget constraint, project was dropped
- SI No.9 Project not taken up since amount was diverted to supporting Govt. in dealing with Covid-19 pandemic;
- SI No.11 Project not taken up since party identified for execution of work could not take up the job;

- SI No.15 Amount was diverted to Govt. of Karnataka to support Govt. in dealing with Covid-19 pandemic;
- SI No. 22 Project could not be taken up due to internal matter of school;

6. In case the Company has failed to spend the two percent of the average net profit of the last three Financial Years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.

NA

7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

We hereby affirm that the CSR Policy, as approved by the Board, have been implemented and the CSR Committee monitors the implementation of the CSR projects and activities in compliance with our CSR objectives.

Sd/-

(Sri MV Subba Rao)

Chairman-cum-Managing Director

Sd/-

(Sri Nirmalendu Mohapatra)

Chairman, CSR Committee

Date: 10/08/2020

Place: Bengaluru

ANNEXURE TO BOARD'S REPORT
BUSINESS RESPONSIBILITY REPORT 2019-20
[As per Regulation 34(2)(f) of SEBI (LODR) Regulations, 2015]
1. INTRODUCTION

As per the Securities and Exchange Board of India (SEBI) mandate, the top 1000 listed entities, based on market capitalisation, should include a Business Responsibility Report (BRR) as part of their Annual Report. KIOCL is presenting its BRR for the Financial Year 2019-20 as per the framework suggested by SEBI. The Report covers the

key initiatives in line with the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' (NVGs), released by the Ministry of Corporate Affairs in July 2011.

The Business Responsibility Report of FY 2019-20 describes KIOCL initiatives towards economic, social and environmental fronts in India.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L13100KA1976GOI002974		
2	Name of the Company	KIOCL LTD		
3	Registered address	II Block, Koramangala, Bengaluru - 560034		
4	Website	www.kioclltd.in		
5	E-mail id	cs@kioclltd.com		
6	Financial Year reported	April 1, 2019 - March 31, 2020		
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Product	Iron Ore Pellets	Pig Iron
NIC Code		17100	24101	
8	List three key products / services that Company manufactures / provides (as in balance sheet)	a) Iron Ore Pellets b) Pig Iron		
9	Total number of locations where business activity is undertaken by the Company			
	i. Number of International Locations (Provide details of major)	None		
	ii. Number of National Locations	Manufacturing Units : 2 Corporate Office : 1 Site / Liasioning : 7		
10	Markets served by the Company - Local/State/National/International	KIOCL serves the national market as well as International market by exporting Iron Ore Pellets across the Globe.		

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR)	₹ 621.93 Crs
2	Total Turnover (INR)	₹ 2056.53 Crs
3	Total Profit Before Taxes (INR)	₹ 63.68 Crs
4	Total Profit After Taxes (INR)	₹ 43.48 Crs
5	Total Spending on Corporate Social Responsibility (CSR) as percentage of net profit after tax (%)	7.61% (i.e. ₹ 3.31 Crs on PAT of ₹ 43.48 Crs)
6	List of CSR activities in which expenditure has been incurred:	
	a. Contribution to PM CARES Fund	
	b. Disaster management - Flood Relief Activities	
	c. Health Care	
	d. Drinking Water Facility	
	e. Promotion of Education/ Skills	
	f. Environmental Sustainability	
	g. Promotion of Rural Arts and Culture	
	h. Community Development	
	i. Promotion of sports	

SECTION C: OTHER DETAILS

1 Does the Company have any Subsidiary Company/ Companies?

The Company does not have any subsidiary.

2 Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

Not Applicable

3 Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? {Less than 30%, 30-60%, More than 60%}

The Company is not aware of any BR initiatives of any of its vendors.

SECTION D: BUSINESS RESPONSIBILITY INFORMATION

1. Details of Director/Directors responsible for BR

a) Details of the Director/Directors responsible for implementation of the BR policy/policies

- 1 DIN Number : 08672764
- 2 Name : Sri K. V. Bhaskara Reddy
- 3 Designation : Director(Production& Projects)
- 4 Telephone number : 080-25531150
- 5 e-mail id : dpp@kioclltd.com

b) Details of the BR head

- 1 DIN Number (If applicable) : NA
- 2 Name : Sri P. K. Mishra
- 3 Designation : Company Secretary
- 4 Telephone Number : 080-25531525
- 5 Email Id : cs@kioclltd.com

2. NVG PRINCIPLES

The Nine Principles to be followed in areas Economic / Social / Environment for conducting in Business in a Responsible way:

P1	Ethics, Transparency and Accountability
P2	Product Life Cycle
P3	Wellbeing of all employees
P4	Stake Holder Engagement
P5	Human Rights
P6	Environment
P7	Public and Regulatory policy
P8	Inclusive growth / CSR
P9	Engage with and provide value to customers and consumers

2 (a) Details of compliance (Reply in Y/N)

S.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policy for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes, the policies are formulated in consultation with stakeholders & as per the Government Guidelines, as the Company is a CPSE under Ministry of Steel.								
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes, the Sustainable Development (SD) Policy addresses the essence of the nine NVG principles issued by Ministry of Corporate Affairs, Government of India.								
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ Owner/CEO/ appropriate Board of Director?	The policies are approved at appropriate levels by the Competent Authority including the Board, whenever required.								
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	All policies can be viewed online at Company website at https://www.kioclltd.in .								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	“Y”, the communication with internal and external stakeholders on such matters is a continuous process.								
8	Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism to address stakeholders’ grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

2 (b) If answer to S. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sl. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles									
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

Not Applicable, as the company has formulated policies based on all nine principles

3. GOVERNANCE RELATED TO BR
1 Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company.

The Board of Directors annually reviews the BRR.

2 Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The BR Statement is part of KIOCL's Annual Report. The hyperlink for viewing the Annual Report for the Financial Year 2019-20 is <https://www.kioclltd.in/user/cms/39>.

SECTION E: PRINCIPLE-WISE PERFORMANCE
Principle 1: Ethics, Transparency and Accountability

The Company acknowledges the vitality of image and reputation in adding value to the organisation. It believes that conducting business on the pillars of ethics and transparency, full disclosure and independent monitoring fosters trust of stakeholders as well as improves the reputation of the Company.

It has a Code of Conduct which provides an ethical road map to its Directors and senior management in order to facilitate the management to steer the Company in the right path. The Code of Conduct for all other employees is included in Company's service rules.

1 Coverage of policy relating to ethics, bribery and corruption (e.g. Joint Ventures, Suppliers, Contractors, NGOs etc.)

The Company's policy on bribery and anti-corruption covers all individuals working at all levels and grades. This mechanism includes directors, senior executives, officers, employees (whether permanent, fixed-term or temporary) and third parties including consultants, contractors or any other person associated with it. The well-defined policy lists tenets on ethical business conduct, definitions and the framework for reporting concerns.

2 Number of Stakeholder complaints received in the past financial year and percentage of complaints satisfactorily resolved by the management in the FY 2019-20

There is constant effort to enhance stakeholders' satisfaction level. As part of the business responsibility; a process is

in place for Redressal of Stakeholders' Grievance. All the stakeholders are free to share their concerns and grievances with the Company through this structured mechanism. Details of Stakeholder complaints are as given below:

Stakeholder	Complaints Received	Complaints Resolved
Employees	0	0
Vendor	0	0
Company	0	0
Investor	0	0
Society	0	0
Total	0	0

During the Financial Year 2019-20, No complaints were received from Stakeholders.

Principle 2: Product Produced should be safe and contribute to sustainability throughout their life cycle
1 List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company is currently producing **Pellets**, made from **Iron Ore Fines**, generated during mining which otherwise would add to the environmental pollution.

It converts these Iron Ore Fines into Pellets through value addition using Pelletisation Technology. It thus produces a product (Pellets) which not only protects environment but also conserves mineral resources.

It also addresses the adverse impact on environment due to huge dump of Iron ore fines generated during mining over a period by producing Pellets using these iron ore fines.

2 For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

The Company believes in optimum consumption of electricity, furnace oil, water and other additives. It sets targets for specific consumption of major parameters. In order to achieve the target, it conducts energy audit at project site. The energy audit also helps to identify and prioritise energy efficient technological measures and saving opportunities.

The parameters in respect of major inputs like energy, water, furnace oil, coke, raw material for previous year and current year as per production rate is furnished below. The reduction during sourcing/production/distribution as achieved throughout the value chain is detailed below:

Target Vs. Achieved

Description	Target	Achieved for 2018-19	Target	Achieved for 2019-20
Energy Kwh/MT for Pelletisation including grinding and filtration.	64	67.85	64	66.99
Coke consumption Kg/MT	17	14.87	17	16.62
Bentonite consumption Kg/MT	7	7.97	7	6.57
Furnace oil Ltr/MT	17	15.29	17	14.59
*Water consumption M3/ MT	<1	0.54 M3	<1	0.52 M3
Lime stone Kg/MT	29	24.36	29	25.37
IOF to pellets	1:1	1:1	1:1	1:1

[Note : Coke + Anthracite coal = 16.22 (0.47+16.15=16.22)]

ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Reduction in energy per MT of pellet (KWH/T) is achieved for 2019-20 when compared to 2018-19 (66.99 KWH/T from 67.85 KWH/T) due to improved pellet production in 2019-20.

3 Does the Company have procedures in place for sustainable sourcing (including transportation)?

The main raw material used in **Pellet making is Iron Ore Fines** and Company has a sustainable plan as under:

Short term plan: The Company has tied up with NMDC, a sister CPSE under Ministry of Steel for supply of upto 3 million tons of iron ore fines per year from NMDC Bailadila mines through Long Term Agreement. The Company is also processing iron ore fines from other mines from the State of Odisha and high-grade iron ore fines / concentrate from offshore.

Long Term Plan: The Company's mine at Kudremukh has been closed since January, 2006. The Government of Karnataka has notified for the mining lease of Devadari Iron Ore Mine in Bellary District, Karnataka in January, 2017 for captive consumption of Iron Ore and Manganese Ore. The action plan is in position to get various statutory clearances in order to start mining operation.

Company will undertake development of iron ore mines, Construction and commissioning of beneficiation plant along with infrastructure development viz Railway siding, water pipeline, power transmission line, conveyor corridor with capital investment of around ₹1500-2000 Crores. The iron ore produced from this mine will be transferred through road, railways and utilized in the existing pellet plant and pig iron plant at Mangaluru. Setting up of pellet plant at Devadari site is envisaged at later stage.

4 Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Being a CPSE, KIOCL follows Public Procurement Policy for Micro and Small Enterprises (MSEs) in pursuance to the Micro, Small and Medium Enterprises Development (MSMED), Act, 2006 from the year 2015-16.

As a part of the procurement policy, the Company identifies items and **exclusively reserves them for purchase** from Micro and Small Enterprises & had procured 49.66% **from only MSE** (including MSEs owned by SC/ST and women entrepreneurs) out of total procurement in the FY 2019-20.

5 Does the company have a mechanism to recycle products and waste? If yes what is the % of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The waste generated from the manufacturing of pellets is recycled and reused. A process is in place to recycle wastes generated during the manufacturing cycle. Apart from the production waste, other general wastes produced are also recycled and the details are as follows:

1. Waste Generated During Manufacturing

- The Pellet manufacturing process generates waste of 3% (5mm size) approximately of pellet fines. Hence the waste generated is reused again for pellet making through recycling process.
- IOF processing, slime generated is flown out through thickener over flow to dump pond which is again recycled during dry season.
- Pellet fines collected through de-dusting and wet scrubbing is reused for pellet making through re-cycling.

2. Other Wastes

- Canteen Waste and Garden waste-** The canteen waste, which includes food waste, vegetable waste as well as the garden waste which constitutes dead and dry leaves and flowers are used for making compost in the plant premises itself so as to avoid the use of pesticide and chemical fertilisers.
- Sewage Sludge** generated during the sewage treatment is used as manure in the garden. The entire

quantity of treated sewage effluent is completely recycled in the Process.

- c) **Grey Water** is also recycled in the Process after treatment in the STP.
- d) **Bio Medical waste** is disposed of through authorised KSPCB agencies.

Principle 3: Wellbeing of all employees

KIOCL believes that its people are its most valuable asset for progressive growth of Company. Their knowledge, experience and passion to perform are fundamental to the progress of the organisation and its upward growth. KIOCL provides its employees with opportunities that encourage them to excel and ensures a work environment that promotes well-being. KIOCL neither discriminates among present employees nor during the recruitment process, on the grounds of religion, race, colour, gender and disability. Providing equal opportunities to all is an integral aspect of the Company's responsibility towards its employees.

KIOCL's Management believes in the freedom of association and hence the Company has three recognized workers' unions. The Company's management is accessible at all points of time to redress any employee / worker concerns and complaints as per well-dened procedures.

KIOCL endeavours to keep its employees abreast with the latest technical knowledge. Skill refresher courses are regularly conducted at KIOCL and necessary training sessions are held for its workforce as and when required.

Key employment related data as of the end of the reporting year 2019-20 is provided in the table below:

1	Total Number of Employees (On Company Roll)	805
2	Total number of employees hired on temporary/contract/ casual basis	491
3	Total number of permanent women employees	24
4	Total number of permanent employees with disabilities	12
5	Do you have an employee association that is recognized by the management?	Yes
6	What percentage of your permanent employees or members of this recognized employee association? Employee's & Officer's Union	Employee - 95.96% Officers - 84%

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the nancial year.

As on the end of the Financial Year 2019-20, there was no complaint relating to child labour, forced labour, involuntary labour, sexual harassment, discriminatory employment.

For protection against sexual harassment of women at work place, KIOCL has constituted an internal complaints committee in lines with the requirement of the sexual harassment of women at the work place (Prevention, Prohibition and Redressal) Act, 2013 to redress sexual harassment complaints.

8 What percentage of under mentioned employees were given safety and skill upgradation training in the last year?

a.	Permanent employees	63%
b.	Permanent women employees	75%
c.	Casual/temporary/contractual employees	71%
d.	Employees with disabilities	50%

Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1 Has the company mapped its internal and external stakeholders?

Yes, KIOCL has mapped its internal and external stakeholders which includes:

- Government and regulatory authorities
- Employees
- Customers
- Local community
- Investors and shareholders
- Suppliers
- Trade unions

2 Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes, the Company identifies the disadvantaged, vulnerable & marginalized stakeholders in the vicinity of its projects / operations and conducts various activities under CSR to benefit them. In addition, the Company follow a system of timely feedback and response through formal and informal channels of communication.

3 Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders?

The Company engages with the marginalised section as and when required in terms of help in the field of medical assistance as in provision of an ambulance, holding medical camps in villages, educational institutions where children from the underprivileged communities are provided scholarship. These special initiatives are taken on merit basis.

Principle 5: Respecting and Promoting Human Rights

KIOCL strongly believes in respecting and upholding the human rights of all its internal and external stakeholders. In pursuance to this policy, KIOCL follows International Labour

Organization guidelines and the Indian Factories Act, 1948 which provides the framework for the organization to comply with all applicable laws of the land pertaining to human rights.

1 Does the policy of the company on human rights cover only the Company or extend to the Group / Joint Ventures/ Suppliers/ Contractors/ NGO's / Others?

KIOCL believes that a sustainable organisation rests on a foundation of ethics and respect for human rights. KIOCL's policies demonstrates its commitment towards the preservation of human rights.

KIOCL promotes awareness of the importance of respecting human rights within its value chain and discourages instances of abuse.

2 How many stakeholder complaints have been received and in the past financial year and what percentage was satisfactorily resolved by the management?

During FY 2019-20, the Company has not received any Stakeholder complaint. The Company has well defined process in place including Public Portal for receiving complaints from stakeholders.

Principle 6: Environment Management

Business should respect, protect, and make efforts to restore the environment

The Company has a Quality, Occupational Health, Safety and Environmental Policy in place and steps are being taken to extend it to the major contractors and sub-contractors. KIOCL Production unit has subscribed to the ISO 9001, ISO 14001, (Environmental Management System) and ISO 45001 Occupational Health and Safety Standard. The Company continually identifies and assesses potential environmental risks associated with its operations and complies with applicable environmental regulations.

1 Does the policy related to Principle 6 cover only the Company or it extends to the Group/ Joint Ventures/ Supplier/Contractors/ NGOs/others?

KIOCL's Health, Safety and Environmental policy is a comprehensive document which identifies environmental preservation and pollution prevention as their responsibility. KIOCL's policy is not extended to the others. However, the suppliers / contractors may have their own policies.

2 Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

KIOCL, as a responsible company has taken initiatives to address the cause of Global environmental issues and as a part of the initiatives, following has been carried out:

- 1) KIOCL Mangaluru Plant has increased the green cover by planting a number of trees in their Mangaluru plant premises & other areas.

- 2) KIOCL has reduced emission of Green House Gases by adopting various energy conservation measures.

3 Does the company identify and assess potential environmental risks? Y/N

Yes, the Corporate environment policy guides the Company's efforts on environmental management. Company attempts to resolve the environmental issues and mitigates the problem whenever observed at plant level through its environmental cell. The Company is certified for environmental management standard hence as part of compliance to this, aspect-impact registers are in place which identifies potential environmental risks along with appropriate mitigation plans. Further, environment risks are identified in the risk matrix and discussed in the internal audit review Meeting.

4 Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Pellet plant is using furnace oil as the fuel in Indurating machine furnace. M/s Gas Authority of India Limited (GAIL) has established an LNG terminal in Cochin and is laying a pipeline from Cochin to Mangaluru to provide Natural Gas (NG) to industrial users. Natural Gas is a new age fuel. With only one carbon and four hydrogen atoms per molecule, Natural Gas has the lowest carbon to hydrogen ratio, hence it burns completely, making it the cleanest of fossil fuels. Hence there is a proposal to use Natural gas in our furnace once it is available in Mangaluru.

5 Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc? Y/N. If yes, please give hyperlink for web page etc.

As a part clean development mechanism, the following initiatives were taken as a commitment to reduce emissions, energy efficient lighting, improvement of air quality, reduction of costs too.

1. Grid connected Roof Top Solar plants have been set up in the Captive Power Plant (CPP) area of Pellet Plant Unit (PPU). The total capacity of the plant is 83.2KW.
2. A similar grid connected plant has also been set up in the Blast Furnace Unit (BFU) with a total capacity of 293 KW. Four units have been set up on top of the stores (140 KW), Welfare Building (51 KW), Administration Building (64 KW) and MSDS building (38 KW). All units are in operation.
3. A ground based solar system of 1 MW capacity has been commissioned and in operation from Nov 2018 onwards. The generated energy is being consumed at PPU.
4. The total solar generation for the year 2019-20 is 103827 units from CPP roof top of PPU. Roof Top Solar Unit - CPP-103827 units.

5. As part of our effort towards cutting down the cost of energy consumed, we have utilised 20 GWh by bidding in Indian Energy Exchange (IEX) which is 13.38% of our total energy utilized in Pellet Plant Unit.
 6. The Company had purchased renewable energy of 19.35 GWh through wheeling which is 12.5% of our total energy utilized in Pellet Plant Unit. This has also saved our energy cost as well as fulfilled Non-Solar Renewable Energy Purchase Obligation.
 7. The Company had opted “Special Incentive Scheme” from MESCOM which is risk free compared to IEX energy bidding and saving is at par with the savings from IEX bidding.
 8. The total saving from IEX bidding and Wheeling of renewable energy is ₹6.21 crores in the year 2019-20.
 9. Another cost saving measure is taken up with MESCOM to increase the Contract Demand (CD) from 20 MVA to 23 MVA thus reducing number of DG operation and maximize the bidding from IEX which is cheaper than MESCOM energy, thereby reducing the monthly electricity bills.
- 6 Is the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

The environmental monitoring is being carried out as stipulated in the ‘Consent to Operate’ issued by the KSPCB. The details are as under.

1. Analysis of treated Sewage effluent – Once in a month by KSPCB (5 Parameters)
2. Ambient air quality monitoring - 4 Stations within the Plant premises and all parameters stipulated as per the National Ambient Air Quality Standards.
3. Stack Emissions (10 No’s) in Pellet Plant – Particulate Matter, Sox & Nox.
4. Stack Emissions from DG Sets (3 No’s at CPP & 3 Diesel DG Sets in PP) Monitoring of 4 parameters (PM, CO, Nox & NMHC).
5. The noise levels are being monitored at four stations (Day & Night Time)

The environmental monitoring data is being forwarded to the Regional Office of the KSPCB, Mangaluru on a monthly basis and the half yearly data is being submitted to the MOEF.

- 7 Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on the end of Financial Year.**

The Company fully complies the Environmental regulations and has not been issued any legal notice whatsoever during the FY 2019-20

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

- 1 Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

- a. Standing Conference of Public Enterprises, New Delhi (SCOPE)
- b. Federation of Indian Mineral Industries, New Delhi (FIMI)
- c. Pellet Manufacturer Association of India, New Delhi (PMAI)
- d. Institute of Directors, New Delhi (IOD)
- e. Federation of Karnataka Chamber of Commerce & Industry, Bengaluru (FKCCI)
- f. Federation of Indian Exporters Organisation, New Delhi (FIEO)
- g. Indian Institute of Materials Management (IIMM)

- 2 Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

KIOCL has not lobbied / advocated through any association for advancement or improvement of public good so far.

Principle 8: Businesses should support inclusive growth and equitable development

The CSR activities are guided by KIOCL’s vision and philosophy of ethical, value-based and transparent functioning. The Company implements various CSR initiatives through Company’s own internal team, based on inputs received from Local Authorities, Business Associations, Social and Philanthropic Organisations of repute and Civil Society, wherever deemed necessary. The Company believes that its success is interlinked with the well-being of all sections of the society and equal opportunity for all sections. The Company continues to ensure no discrimination of any type to socially disadvantaged sections at the work place. The key contributions of ‘inclusive growth and equitable development’, is a part of KIOCL’s CSR Report which is a part of 2019-20 Annual Report.

- 1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

Yes, KIOCL believes in creating opportunities for the people around its operations to enable a sustainable future and ensure inclusive growth.

KIOCL’s community development activities focus on areas of health, sanitation, education and infrastructure.

KIOCL's CSR initiatives are aligned to aspects such as education, healthcare, skill enhancement, infrastructure development, promoting sportsmanship, women empowerment among others.

The various initiatives undertaken during FY 2019-20 are a part of CSR Report as published along with 2019-20 Annual Report.

2 Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/ government structures/any other organization?

The Company has an **in-house CSR team** at the Corporate & Plant level and at each level. Dedicated CSR teams are in place to plan, implement, monitor and review various community development initiatives/programs.

Company believes in a participatory approach towards implementing CSR initiatives and collaborates directly with end beneficiaries to deliver the programs and projects.

3 Have you done any impact assessment of your initiative?

The CSR Policy is formulated to commit for enhanced value-creation for the Society, shareholders, other stakeholders and the communities by taking-up activities and initiatives for sustainable growth for the Society, with environmental concern. The programmes / projects are generally chosen in the local areas of the Company's manufacturing units. These programmes / projects are implemented by the teams of the Company. However, considering the nature of the projects undertaken, the Company did not do the impact assessment in the Financial Year 2019-20.

4 What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

During the FY- 2019-20 a sum of ₹ 331 Lakhs has been spent on various Community Development Projects. Project Details are part of our CSR Report published in 2019-20 Annual Report.

5 Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Our CSR initiatives are implemented based on a collaborative and participatory approach. Community development is an on-going process & is carried out on a regular basis.

Project selection is based requests received from local representatives and selected after studying and

understanding the need, geographic location and available funds. Implementation plans are prepared for project execution with the help of various local representatives for community development projects. The CSR team interacts with the beneficiaries at various stages of the project implementation to ascertain the efficacy of the project.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Customers & Customer service is a part of KIOCL focus; hence customer focused metrics are of crucial importance. KIOCL has a structured customer complaint redressal system to address any sort of customer concern or grievance.

Any customer complaint lodged is directed to the respective department for action. A process is in place at the Company to address the customer complaint. All complaints received from the customers are acknowledged, investigated and responded to as per the Standard Operating Procedures.

1 What percentage of customer complaints/consumer cases are pending as on the end of financial year?

No Complaint is pending for the FY 2019-20

2 Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

The Company is in the business of manufacturing Pellets from Iron Ore. The shipment of the product happens in bulk and no specic product label over and above what is mandated as per the local law is displayed.

3 Is there any case led by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

During last five years there are no cases led with regard to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour.

4 Did your company carry out any consumer survey/ consumer satisfaction trends?

KIOCL has a well-structured and defined process in place to carry out customer satisfaction survey. The survey is carried out twice a year and reports are prepared based on the survey. As per survey conducted for Financial Year 2019-20, KIOCL has achieved "**Delighted**" ratings from its Customers.

ANNEXURE TO BOARD'S REPORT

CEO / CFO CERTIFICATION

We, the undersigned in our respective capacities as Chief Executive Officer and Chairman cum Managing Director and Chief Financial Officer and Director (Finance) of KIOCL Limited to the best of our knowledge and belief certify that:

- a) We have reviewed the Financial statements and Cash Flow Statements for the year ended 31st March 2020 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 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/-
(MV Subba Rao)
Chairman-cum-Managing Director &
Chief Executive Officer
DIN: 06495576

Sd/-
(S.K. Gorai)
Director (Finance) &
Chief Financial Officer
DIN:07223221

Place: Bengaluru
Date: 25/06/2020

ANNEXURE TO BOARD'S REPORT

DECLARATION AS REQUIRED UNDER REGULATION 26(3) READ WITH PART-D OF SCHEDULE-V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (COMPLIANCE WITH CODE OF CONDUCT)

In Compliance to 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 2020.

Sd/-
(MV Subba Rao)
Chairman-cum-Managing Director

Place: Bengaluru
Date: 20/07/2020

FORM MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2020

[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,
Bengaluru – 560 034

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KIOCL LIMITED CIN NO: L13100KA1976GOI002974** having its Registered Office at II Block, Koramangala, Bengaluru-560 034, Karnataka (**hereinafter called the Company**).

Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's 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, agents and authorized representatives during the conduct of Secretarial Audit and **subject to our separate letter attached hereto as the Annexure**, I hereby report that, in my opinion, the Company has, during the audit period covering the financial year ended 31st March, 2020, 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2020 according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **NOT APPLICABLE**

I have also examined compliance with the applicable Clauses/Regulations of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India and which are mandatory in nature.
- b) The Listing Agreement entered into by the Company with National Stock Exchange of India Limited (NSE), BSE Limited (BSE) and Metropolitan Stock Exchange of India Limited (MSEI);
- c) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- d) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
- e) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
- f) The Securities and Exchange Board of India (Depositories & Participants) Regulations, 2018.

I have also reviewed the **systems and mechanisms** established by the Company for ensuring compliances under other applicable Acts, Laws, Rules, Regulations, Guidelines applicable to the Company and categorized under the following major heads/groups:

- a) The Water (Prevention & Control of Pollution) Act, 1974, read with Water (Prevention & Control of Pollution) Rules, 1975
- b) Environment (Protection Act), 1986
- c) The Air (Prevention & Control of Pollution) Act, 1981, read with the Air (Prevention & Control of Pollution) Rules, 1982
- d) Factories Act, 1948
- e) Contract Labour (Regulation and Abolition) Act, 1970
- f) Payment of Wages Act, 1936.

- g) The Minimum Wages Act, 1948
- h) Payment of Gratuity Act, 1972
- i) Industrial Employment (Standing Orders), 1946
- j) Employees Provident Fund and Misc. Provisions Act, 1952
- k) Employees State Insurance Act, 1948
- l) The Payment of Bonus Act, 1965
- m) The Negotiable Instrument Act, 1881
- n) Karnataka Shops and Commercial Establishment Act, 1961
- o) The Karnataka Tax on Professions, Trades, Callings and Employment Act, 1976
- p) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- q) Maternity Benefits Act, 1961
- r) Indian Contract Act, 1872
- s) Trade Marks Act, 1999
- t) The Apprentices Act, 1961

Regarding “Other laws”, there are proper systems and mechanisms in place for Compliance with the Provisions of Other laws, During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc mentioned above subject to the following specific observations not amounting to qualification or reservation or Adverse Remarks.

1. The Composition of the Board of Director as on 31/03/2020 was as follows:

A.	Functional/ Whole Time Directors including Chairman-cum-Managing Director	4
B.	Nominee Directors of Government of India	2
C.	Independent Directors	4
Total		10

As per Regulation 17 (1) (b) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, where the Chairman of the Board is Executive Director, atleast half of the Board of Directors shall comprise of Independent Directors.

It was observed that Stock Exchanges had issued Notices to the Company and levied penalty for non-compliance with the above condition.

KIOCL Ltd. being a Govt. Company within the meaning of sub-section 45 of section 2 of Companies Act, 2013, the power to appoint Directors on the board of the company vests with the President of India acting through Ministry of Steel. Thus, to comply with the requirement of having 50% of the Board as Independent Directors, the Company is regularly taking up with the Ministry of Steel to fulfil the requirement of appointing two Independent Directors including One Woman Independent Director on the Board of the Company.

During the first quarter ended 30/06/2019 & second quarter ended 30/09/2019 (upto 05/08/2019) the Composition of Audit Committee was not in compliance with Regulation 18 (1) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Stock Exchanges had levied fine for the same.

The Company had reconstituted the Audit Committee in line with the requirements of the Regulations 18(1) of SEBI (LODR) Regulations on 06/08/2019 and after complying with the identified violation, the Company had requested the Stock Exchanges to waive off the fines. As on 31/03/2020, the Company is in compliance with the Regulation 18(1) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

2. The Public Shareholding in the Company was 0.94% as on 31/03/2020. As per Regulation 38 of the SEBI (LODR) Regulations, 2015 read with Rule 19 (2) of the Securities Contracts (Regulation) Rules, 1957, a Listed Entity is required to have a minimum public shareholding of 25%. However, the Ministry of Finance issued a Notification No. G.S.R. 738(E) dated 3rd August 2018, adding a proviso to Rule 19A, sub rule(1) of the Securities Contracts (Regulation) Rules, 1957, permitting listed public sector companies having less than 25%, to increase its public shareholding to 25% within a period of 2 years from the date of commencement of the amended Rules.

As intimated to us by the Company, the matter had been taken up with the Administrative Ministry for achieving minimum public shareholding.

Further in this regard, as informed to us by the Company, the Cabinet Committee on Economic Affairs (CCEA) had approved the disinvestment of 15% Equity Shares of the Company by Follow-on Public Offer (FPO). Accordingly, the Board of Company at its Meeting held on 06/08/2019, had considered and approved the proposal for Disinvestment of 15% of Paid-up Equity Share Capital of Company by Government of India through FPO. Further, the Department of Investment and Public Asset Management (DIPAM), Ministry of Finance had appointed intermediaries for carrying out the FPO. To review the status of FPO, a Meeting was held on 15/11/2019 at DIPAM, Ministry of Finance and considering the pending appointment of Independent Directors by Govt. of India, it was concluded to reschedule the timelines for filing of the Draft Red Herring prospectus (DRHP), for which the Book Running Lead Manager (BRLM) would devise a revised timeline, post appointment of requisite number of Independent Directors on the Board of the Company. The Company had been regularly following up with Ministry of Steel for appointment of requisite number of Independent Directors, including a Woman Director.

I have not examined compliance by the Company with applicable **financial laws**, like direct and indirect tax laws, since the same are subject to review by statutory financial audit and other designated professionals.

I further report that, subject to the above observations:-

The Board of Directors of the Company and its Sub- Committees are duly constituted. The Changes in the composition of the Board of Directors and Sub Committees that took place during the period under review were carried out in compliance with the provisions of the Act.

The Company has constituted the following Sub-Committees:

- 1) Audit Committee.
- 2) Risk Management Committee.
- 3) Nomination and Remuneration Committee
- 4) Corporate Social Responsibility Committee.
- 5) Stakeholders Relationship Committee.
- 6) Investment, Project appraisal and Monitoring Committee

Adequate notices were given to all Directors to schedule the Board & Committee Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before placing at the meetings and for meaningful participation at the Meeting.

The Minutes of Meetings of the Board and its Sub Committees are maintained properly.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with other applicable laws, rules, regulations and guidelines. Certificates of Compliance of other applicable laws are obtained from concerned departmental Heads.

I further report that, the following events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above, occurred during the audit period :-

- (i) Public/Right/Preferential issue of shares / debentures/sweat Equity, etc - NIL
- (ii) Redemption / buy-back of securities - NIL
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013 - NIL
- (iv) Merger/ amalgamation / reconstruction, etc - NIL
- (v) Foreign technical collaborations- NIL

In general, it was observed that the Company, being a Government Company and subject to CAG Audit, is maintaining all the required records properly and have established systems and procedures for complying with provisions of various applicable laws.

Sd/-

S. Viswanathan

Practicing Company Secretary

ACS No: 5284

CP No: 5284

UDIN: A005284B000327859

Place: Bengaluru

Date: 10/06/2020

Annexure A

To
The Members
KIOCL Limited

My report of even date is to be read along with this letter.

- 1) Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
- 2) I have followed the audit practices and process as are appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
- 3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4) Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
- 5) The compliance of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
- 6) 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.

Sd/-

S Viswanathan

Practicing Company Secretary

ACS No: 5284

CP No: 5284

UDIN: A005284B000327859

Place: Bengaluru
Date: 10/06/2020

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Board of Directors
KIOCL Limited
Bengaluru

We have examined all relevant records of KIOCL Limited, for the purpose of certifying compliance of the conditions of Corporate Governance pursuant with SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 for the financial year ending March 31, 2020.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof adopted by the Company for ensuring compliance of the conditions of Corporate Governance as stipulated in the said Regulation.

On the basis of our findings recorded in the annexed report from the examination of the records produced and explanations and information furnished to us, in our opinion the Company has complied with the conditions of corporate governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on March 31, 2020 *except the following*:-

i. Two Independent Directors Post including one-woman Independent Director remained vacant which is not in conformity with DPE guidelines on Corporate Governance and regulation 17(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, as informed by the Company, the appointment of Directors on the Board is made by Ministry of Steel, Government of India. Further, the Company had been writing to Ministry of Steel, time to time to this effect; however, appointment of requisite number of Independent Directors is yet to be made.

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.

Sd/-

Name : **V. Sundar**

Practicing Company Secretary

C.P.No : 20920

FCS No : 4542

UDIN : F004542B000291158

Place: Chennai
Date : 29/05/2020

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To,
The Members of
KIOCL Limited,
II Block, Koramangala,
Bengaluru- 560034.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of KIOCL Limited having **CIN L13100KA1976GOI002974** and having registered office at II Block, Koramangala, Bengaluru- 560034 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Subbarao Venkata Munnangi	06495576	30/08/2013
2.	Vijoy Kumar Singh	00592638	17/03/2020
3.	Srinivas Tatipamala	07238361	07/09/2015
4.	Swapan Kumar Gorai	07223221	11/11/2016
5.	Saminathan Thimmalagundhi	08291153	09/01/2019
6.	Kuncham Venkata Bhaskara Reddy	08672764	01/03/2020
7.	Jagdish Purushottam Joshi	03385677	14/12/2018
8.	Nirmalendu Mohapatra	07352648	21/10/2019
9.	Ranjit Sreenivas	08539909	21/10/2019
10.	Govindan Ramasamy	08632590	07/12/2019

Ensuring the eligibility of/for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our 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 V. Mahesh and Associates
Company Secretaries

Sd/-

Name : **V. Sundar**
Practicing Company Secretary

C.P.No : 20920

FCS No : 4542

UDIN : F004542B000291158

Place: Chennai
Date: 29/05/2020

INDEPENDENT AUDITORS' REPORT

To the Members of the KIOCL LIMITED

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **KIOCL LIMITED** (Referred to as the “**Company**”) which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and Statement of changes in Equity for the year then ended, and notes to the Financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information, in the manner so required, and give a true and fair view in conformity with the Indian Accounting standard prescribed under section 133 of the Companies Act 2013 and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the 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 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.

Emphasis of Matters

1. Remote Audit

The entire statutory audit of the company has been carried out based on remote access of the data as provided by the company due to COVID-19 pandemic across India. We relied on alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

As a result of the above, the audit been carried out based on the data provided for our audit purposes which we relied as correct, complete and are directly generated by the accounting system of the company without any further manual modifications. The financial performance of the unit has been thus prepared and presented by the company and audited by us in the aforesaid conditions.

2. Kudermukh Mining Operations:

Attention is drawn to Note No.24.06 of the Standalone financial statements on **Kudremukh Unit** from where iron ore was extracted by KIOCL Limited, is abandoned long time back 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 but value of the land continues to be shown in the books of accounts. The company is of the view that Lakya dam therein is the main water source for the pellet plant, the land value is shown under PPE.

3. Inventory:

Attention is drawn to the Note No.20.15 of the Standalone financial statements. Critical stores and spares to the value of ₹1093 lakhs held by the company were shown under the nomenclature “Capital Spares” in Note No.7.a.(f) of the financial statements as on 31.03.2019. The CAG commented on the classification made by the Company. Based on the opinion given by the Expert Advisory Committee of ICAI, the technical committee constituted by the company has submitted a report for classification of critical spares as normal inventory as they are required for the repairs and maintenance of the existing plant. Further, the items which are not moved for more than 5 years are taken out of inventory and classified as “Other Non-Current Assets”, in accordance with the procedure of the company for which 100% provision is made towards impairment loss amounting to ₹811.73 lakhs.

4. Blast Furnace Unit (BFU)

Attention is drawn to Note No. 24.20 of the Standalone financial statements on Blast Furnace Unit. (BFU) which is not in operation since 2009, since it is not economically viable in running the unit. The company is in the initial process of setting up a Non-Recovery Coke Oven Plant as backward integration and Ductile Spun Pipe Plant as forward integration.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon 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.

1. Going Concern

As included in Note No. 24.36 to the Standalone financial statements, the Company’s financial statements have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

As a part of our audit of financial statements, we concur with the management's use of the going concern basis of accounting in the preparation of the company's financial statements.

Management has not identified a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern, and accordingly none is disclosed in the financial statements. Based on our audit of the financial statements, we also have not identified such a material uncertainty.

2. Property, Plant & Equipment and Intangible Assets

There are areas where management judgement impacts the carrying amount of property, plant and equipment, intangible assets and their respective depreciation/amortisation rates. These include the decision to capitalise or expense costs; the annual asset life review; the timeliness of the capitalisation 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.

Due to the materiality in the context of balance sheet of the company and age of the PPE of the company and the level of judgement and estimates required, we consider this to be an area of significance.

We assessed the controls in place over the fixed assets life cycle, evaluated the appropriateness of capitalisation process, performed tests of details on costs capitalised, the timeliness of the capitalisation of the assets and de-recognition criteria for the assets retired from active use.

In performing these procedures, we reviewed the judgements made by the management including the nature of underlying costs capitalised; determination of realisable 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. We have observed that the management has regularly reviewed the aforesaid judgments and there are no material changes.

3. Adoption of Ind AS 116 Leases

The Company has adopted Ind AS 116 Leases in the current year. 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 recognise 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.

Our audit procedures on adoption of Ind AS 116 include:

- Assessed and tested new 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;
- Upon transition as at 1st April, 2019:
 - Evaluated the method of transition and related adjustments;
 - Tested completeness of the lease data by reconciling the company's operating commitments to data used in computing ROU asset and the lease liabilities.
- On a sampling basis, we performed the following procedures:
 - Assessed the key terms and conditions of the each lease with the underlying lease contracts; and
 - 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 including disclosure relating to transition.

Based on the above audit procedures, the presentation and disclosures including those relating to transition in the standalone financial statements are in accordance with the standard.

4. 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.

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 valuation of 'actuary' in accordance with SA 620 issued by ICAI.

5. Provisions and Contingent Liabilities

The Company has exposures towards litigations relating to various matters as set out in the Notes to the Standalone 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 recognised, 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.

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 Financial Statements are considered to be reasonable.

Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for 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, Business Responsibility Report, Corporate Governance Report, and Shareholder Information, but does not include the Standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone 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 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.

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, 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 specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is included in **Appendix** of this Auditors' Report, forms part of our Auditors' report.

Other Matter

The Company has requested its debtors and creditors for confirmation of balances as disclosed in Note No.24.30 to the standalone financial statements. However, due to the Covid-19 pandemic we have not received any confirmations and hence, we have relied upon the balances appearing the books.

Report on Other Legal and Regulatory Requirements

1. As required under the 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, 2016 (“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 a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable our report thereon is enclosed as “**Annexure B**”.
3. 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. Accordingly, we have relied upon the expenditure statement as certified by the management.
 - 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. 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**”.
- f. 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:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note.24.1(B) to the financial statements;
 - ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Anand & Ponnappan
Chartered Accountants
FRN 000111S**

**Sd/-
V Mohan
Partner
MRN 015809**

**Place : Bengaluru
Date : 25/06/2020
UDIN : 20015809AAAAAG8703**

Auditor's Responsibility for the Audit of the Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- a. Identify and assess the risks of material misstatement of the 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.
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether Unit has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. 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 financial statements or, if such disclosures are 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.

- e. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

Annexure – A to the 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. The unit of the company has a system in place to process all the accounting transactions through IT system. Transactions relating to Inventory are recorded in a separate ‘Software’ called Price Stores ledger (PSL) which is not integrated with Financial Accounting System. Similarly, production details are not linked to Financial Accounting System. However, there are no implications (whether financial or otherwise) of processing of accounting transactions through IT system on the integrity of the accounts.
2. According to the information & explanations given to us, there is no restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender. As such, there is no financial implication involved.
3. According to the information & explanations given to us, the company has not received any funds for specific schemes from central/state agencies.

**For Anand & Ponnappan
Chartered Accountants
FRN 000111S**

**Place: Bengaluru
Date: 25/06/2020
UDIN: 20015809AAAAAG8703**

**Sd/-
V Mohan
Partner
MRN 015809**

Annexure - B to the 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

We report that:

- i. In respect of the Company's fixed assets:
 - a. The Unit has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. 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.
 - ii. Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed;
 - iii. The Company has not granted loans to bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
 - iv. In our opinion and according to the information and explanations given to us, the Company has not entered in

to any transaction attracting the provisions of section 185 and 186 of the Act.

- v. The Company has not accepted any deposits from the public and does not have any unclaimed deposits as at March, 31, 2020 and therefore reporting under paragraph 3(v) of the Order is not applicable to the company.
- vi. The maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and such accounts and records have been so made and maintained.
- 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 is 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, cess and any other statutory dues applicable to it with the appropriate authorities.
 - b. There were no outstanding of aforesaid statutory dues as on 31st March 2020 for a period of more than six months from the date they became payable.
 - c. There are no dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, duty of excise, service tax and value added tax have not been deposited by the Company on account of disputes:

Statute	Nature of Dues	Amount in Lakhs	Period to which relates	Forum where dispute pending
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	
Finance Act, 1994	Service Tax	60.77	2012-14	CESTAT

- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable to the company.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the company.
- x. To the best of our knowledge and based on the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. As per notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Companies Act, 2013 is not applicable to the Government Companies. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company.
- xii. The Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the company.
- 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. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under paragraph 3(xiv) of the Order is not applicable to the company.
- xv. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For Anand & Ponnappan
Chartered Accountants
FRN 000111S**

**Sd/-
V Mohan
Partner
MRN 015809**

**Place: Bengaluru
Date: 25/06/2020
UDIN: 20015809AAAAAG8703**

Annexure - C to the Auditors' Report

Referred to in Paragraph 3(e) 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, 2020, 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 Audit of Internal Financial Controls Over

Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 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 th

at 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 may deteriorate.

Opinion

In our opinion, the Unit has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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.

**For Anand & Ponnappan
Chartered Accountants
FRN 000111S**

**Sd/-
V Mohan
Partner
MRN 015809**

**Place: Bengaluru
Date: 25/06/2020
UDIN: 20015809AAAAAG8703**

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 31st MARCH 2020

The preparation of financial statements of KIOCL Limited for the year ended 31st March, 2020 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 Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on the 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 25th June, 2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of KIOCL Limited for the year ended 31st March, 2020 under Section 143(6)(a) of the Act. 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 Auditor and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit, nothing significant has come to my knowledge, which would give rise to any comment upon or supplement to Statutory Auditor's report under Section 143(6)(b) of the Act.

Place: Hyderabad
Date : 20/08/2020

For and on behalf of the
Comptroller & Auditor General of India

Sd/-
(J. S. Karape)
Director General of Commercial Audit
Hyderabad

Balance Sheet as at 31st March 2020

₹ in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3.1	17,618.22	20,042.47
Right of use assets	3.4	10,201.01	
Capital Work-in-progress	4	2,006.00	356.58
Intangible Assets	3.2	74.48	6.48
Intangible Assets Under Development	3.3	84.59	63.81
Financial Assets			
i) Loans	5.1.a	102.96	101.89
ii) Other Financial Assets	5.2.a	141.71	95.81
Other Non-Current Assets	9.a	227.32	542.47
Deferred Tax Assets (net)	6	227.00	
Total Non-Current Assets		30,683.29	21,209.51
Current Assets			
Inventories	7.a	25,684.48	30,886.63
Financial Assets			
i) Investment	5.3	-	4,230.89
ii) Trade Receivables	5.4	12,266.77	6,377.89
iii) Cash and Cash equivalents	5.5.a	42,980.09	51,519.44
iv) Bank Balances other than (iii) above	5.5.b	110,028.80	101,167.36
v) Loans	5.1.b	71.95	67.44
vi) Other Financial Assets	5.2.b	1,258.22	1,149.66
Current Income Tax Assets (net)	8	3,815.51	3,592.40
Other Current Assets	9.b	11,381.51	12,077.37
Total Current Assets		207,487.33	211,069.08
TOTAL ASSETS		238,170.62	232,278.59
EQUITY AND LIABILITIES			
Equity			
Share Capital	10	62,192.56	62,192.56
Other Equity	11	129,400.26	137,203.28
Total Equity		191,592.82	199,395.84
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
i) Lease Liability	12.1.c	11,129.85	-
ii) Other Financial Liabilities	12.1.a	64.25	71.71
Employee Benefit Obligation	13.1.a	9,106.73	8,540.11
Deferred Tax Liability (net)	6		975.03
Total Non-current Liabilities		20,300.83	9,586.85
Current Liabilities			
Financial Liabilities			
i) Trade Payables	12.2	11,121.47	10,764.37
ii) Lease Liabilities	12.1.d	1,251.57	-
iii) Other Financial Liabilities	12.1.b	8,815.85	8,638.67
Employee Benefit Obligation	13.1.b	690.88	604.12
Other Current Liabilities	14	4,397.20	3,288.74
Total Current Liabilities		26,276.97	23,295.90
TOTAL EQUITY AND LIABILITIES		238,170.62	232,278.59

Significant Accounting Policies and other Notes forming part of Financial Statements. 1 and 24

For and on behalf of Board of Directors

M V Subba Rao
 Chairman-cum-Managing Director

S K Gorai
 Director (Finance)

 as per our report of even date
 for M/s Anand & Ponnappan
Chartered Accountants
 (FRN:000111S)

 Place : Bengaluru
 Date : 25/06/2020

P K Mishra
 Company Secretary

(V. Mohan)
 Partner
 MRN:015809

Statement of Profit and Loss for the period ended 31st March 2020

₹ in Lakhs

Particulars	Note No.	Year Ended March 31, 2020	Year Ended March 31, 2019
Revenue			
Revenue from Operations	15	193,764.79	188,770.97
Other Income	16	11,888.22	12,496.85
Total Revenue		205,653.01	201,267.82
Expenditure			
Cost of Materials Consumed		138,422.78	128,685.35
Purchases of Stock-in-Trade		349.91	-
Changes in Inventories -Pellet feed	17.a	491.89	(225.06)
Changes in Inventories -Finished product	17.a	139.76	(3,805.79)
Consumable Stores Spares & Additives	17.b	8,253.07	8,807.40
Direct Cost towards Service Contracts		698.00	192.94
Power and Fuel		23,426.96	23,793.61
Employee Benefits Expense	18	16,939.90	16,821.26
Depreciation and Amortization Expense	3.1a	2,749.08	1,926.82
Other Expenses	19	6,817.16	6,578.85
Finance Costs	20	996.86	80.26
Total Expenses		199,285.37	182,855.64
Profit for the Year		6,367.64	18,412.18
Before Exceptional items and Tax			
Exceptional Items - Expenses			
Profit Before Tax		6,367.64	18,412.18
Current Tax	21	2,377.12	4,357.88
Earlier years (Net)	21	112.12	-
Deferred Tax	21	(469.25)	2,868.44
Tax Expenses /(Income)		2,019.99	7,226.32
Profit/(Loss) for the Year		4,347.65	11,185.86
Other Comprehensive Income (Net of Tax)			
Items that will not be reclassified to Profit or Loss:			
Un-realised gain on Liquid Mutual Fund	22	-	-
Re-measurements of post employment benefits obligations	22	(27.61)	1,674.92
Less: Tax (expenses)/benefit on the above	22	6.95	(585.28)
Total Other Comprehensive Income		(20.66)	1,089.64
Total Comprehensive Income		4,326.99	12,275.50
Earnings per Equity Share(EPS):			
Equity Shares of par value ₹ 10/- each			
Basic and Diluted		0.70	1.78
Number of Shares used in computing earning per share		621925565	629857878
Significant Accounting Policies and other Notes forming part of Financial Statements.	1 and 24		

For and on behalf of Board of Directors

M V Subba Rao
Chairman-cum-Managing Director

S K Gorai
Director (Finance)

as per our report of even date
for **M/s Anand & Ponnappan**
Chartered Accountants
(FRN:000111S)

Place : Bengaluru
Date : 25/06/2020

P K Mishra
Company Secretary

(V. Mohan)
Partner
MRN:015809

Cash Flow Statement for the year ended 31st March 2020

₹ in Lakhs

Particulars	Figures as at the end of Current Reporting Period 31/03/2020	Figures as at the end of Previous Reporting Period 31/03/2019
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax from Continuing Operations	6,367.64	18,412.18
Add/(Less) Adjustment for :		
Depreciation Current Year	2,749.08	1,926.82
Finance Costs excluding Interest on Working Capital	977.16	-
Net of Impairment Loss & Provision no longer required	313.58	-
Interest Income	(10,314.07)	(11,164.67)
Short Term Capital Gain- Liquid Mutual Funds	(608.47)	(527.30)
(Profit)/Loss on sale of Fixed assets	(38.77)	(37.24)
Operating Cash Flow before Working Capital Changes	(553.84)	8,609.79
Adjustment for :		
(Increase)/Decrease in Inventories	5,202.15	(7,610.48)
(Increase)/Decrease in Trade and Other Receivables	(5,404.83)	(1,394.53)
Increase/(Decrease) in Trade and Other Payables	(1,419.02)	(12,223.07)
Sale/deletion/transfer of Fixed Assets	(0.38)	(8.60)
Net Cash from Operating Activities	(2,175.92)	(12,626.89)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(444.54)	(1,818.00)
(Increase)/Decrease in Capital Work in Progress	(1,649.42)	(180.16)
(Increase)/Decrease in Investment in Term Deposits with more than three months	(8,861.44)	51,207.00
(Increase)/Decrease in Current Investment in Liquid MF	4,230.89	(3,730.20)
Interest Received (Gross)	10,930.61	12,073.73
Short Term Capital Gain- Liquid Mutual Funds	608.47	527.30
Proceeds from sale of Fixed Assets	38.77	45.85
Net Cash from Investing Activities	4,853.34	58,125.52
C CASH FLOW FROM FINANCING ACTIVITIES		
Payment of Dividend and Dividend Tax	(9,971.92)	(6,043.06)
Buy back of Equity Shares	-	(21,400.00)
Repayment of Lease Liability	(1,244.84)	-
Net Cash used in Financing Activities	(11,216.76)	(27,443.06)
ABSTRACT		
(A) Net Cash from Operating Activities	(2,175.92)	(12,626.89)
(B) Net Cash from Investing Activities	4,853.34	58,125.52
(C) Net Cash used in Financing Activities	(11,216.76)	(27,443.06)
Net Increase/(Decrease) in Cash and Cash Equivalents	(8,539.35)	18,055.57
Net Increase/(Decrease) in Cash and Cash Equivalents :		
Cash and Cash Equivalents as at 01.04.2019 (O.B)	51,519.44	33,463.87
Cash and Cash Equivalents as at 31.03.2020 (C.B)	42,980.09	51,519.44
Net Increase / (Decrease) in Cash and Cash Equivalents	(8,539.35)	18,055.57

Notes:

1. The above statement has been prepared using indirect method except in case of interest income from investment, Income from short term capital gain, dividend, purchase and sale of investment/Fixed assets and taxes, which have been considered on the basis of actual movement of cash, with corresponding adjustments in Assets and Liabilities.
2. Additions to Fixed Assets and Capital Work-in-progress between the beginning and end of the period are treated as investing activities.
3. Figures in brackets indicate cash outflows.

For and on behalf of Board of Directors

Sd/-
M V Subba Rao
Chairman-cum-Managing Director

Sd/-
S K Gorai
Director (Finance)

Sd/-
P K Mishra
Company Secretary

Place: Bengaluru
Date : 25/06/2020

AUDITOR'S REPORT

We have examined the Cash Flow Statement of KIOCL LIMITED, for the year ended 31st March 2020. The statement has been prepared by the Company in accordance with the requirements of Regulation 33 of the SEBI (LODR) Regulations, 2015 and is based on and in agreement with the corresponding Profit and Loss Account and Balance sheet of the Company covered by our report dated 25th June, 2020 to the members of the Company.

for **M/s Anand & Ponnappan**
Chartered Accountants
(Firm Registration No:000111S)

Place : Bengaluru
Date : 25/06/2020
UDIN : 20015809AAAAAG8703

Sd/-
(V. Mohan)
Partner
Membership No:015809

Statement of Changes in Equity

(₹ in Lakhs)

Particulars	Share Capital	Other Comprehensive Income	Capital Redemption Reserve Account	General Reserves	Surplus in Profit and Loss Account	Total Equity
Balance as at 01/04/2018	63,451.38	324.80		144,701.47	6,085.75	214,563.40
Restated Total Equity at the beginning of the Financial Year	63,451.38	324.80		144,701.47	6,085.75	214,563.40
Transactions with Owners in their capacity as Owners						
Final Dividend for 2017-18 paid during the year					(5,012.66)	(5,012.66)
Dividend Distribution Tax paid					(1,030.40)	(1,030.40)
Restated Total Equity at the beginning of the Financial Year (2017-18)	63,451.38	324.80		144,701.47	42.69	208,520.34
Buy Back of 1,25,88,235 Equity Shares @₹170 each Face Value @₹10 each	(1,258.82)		1,258.82	(21,400.00)		(21,400.00)
Profit for the Year (2018-19)					11,185.86	11,185.86
Other Comprehensive Income (Net of tax)		1,089.64				1,089.64
Total Comprehensive Income for the year ended 31/03/2019		1,089.64				(9,124.50)
Surplus in Profit and loss Account as on 31.03.2019		1,089.64			11,185.86	(9,124.50)
Balance as at March 31, 2019	62,192.56	1,414.44	1,258.82	123,301.47	11,228.55	199,395.84
Balance as at 01/04/2019	62,192.56	1,414.44	1,258.82	123,301.47	11,228.55	199,395.84
Ind As 116 Adjustment				(2,158.10)		(2,158.10)
Transactions with Owners in their capacity as Owners						
Dividend for 2018-19 paid during the year 2019-20					(8,271.61)	(8,271.61)
Dividend Distribution Tax paid					(1,700.30)	(1,700.30)
Restated Total Equity at the beginning of the Financial Year (2019-20)	62,192.56	1,414.44	1,258.82	121,143.37	1,256.64	187,265.83
Profit for the Year (2019-20)					4,347.65	4,347.65
Other Comprehensive Income (Net of tax)		(20.66)				(20.66)
Total Comprehensive Income for the year ended 31/03/2020		(20.66)			4,347.65	4,326.99
Balance as at March 31, 2020	62,192.56	1,393.78	1,258.82	121,143.37	5,604.29	191,592.82

For and on behalf of Board of Directors

M V Subba Rao
Chairman-cum-Managing Director

S K Gorai
Director (Finance)

P K Mishra
Company Secretary

as per our report of even date
for **M/s Anand & Ponnappan**
Chartered Accountants
(FRN:000111S)

(V. Mohan)
Partner
MRN:015809

Place : Bengaluru
Date : 25/06/2020

Notes to the Financial Statements

Background

KIOCL Limited (the “Company”) is a Schedule “A” Miniratna Government of India Enterprise, having its Head Office in Bengaluru; it has Pelletisation and Pig Iron plant units in Mangaluru. The Company was established as 100% Export Oriented Unit and is primarily engaged in the business of Iron Ore Mining, Beneficiation and Production of high-quality Pellets. Recently the Company has diversified into Provision of Operating and Maintenance Services pertaining to its various core areas of expertise.

1. Significant Accounting Policies

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. Historical Cost Convention

The Financial Statements have been prepared on a historical cost basis, except for the following:

- (i) Certain financial assets and financial liabilities that are measured at fair value; and
- (ii) Defined Benefit Plans - Plan assets are measured at fair value

1.3. 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.

1.4. 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.

The Company enters into certain forward contracts to hedge foreign exchange risks which are not designated as hedges. Such contracts are accounted for at fair value through Profit or Loss and are included in other gains/ (losses).

1.5. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recorded at aggregate value of all taxable supplies, exempt supplies, export of goods and/or services and inter-state supplies excluding taxes, if any charged under CGST/SGST/IGST Act and net of Returns, Trade Allowances, Volume and other Rebates.

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that the future economic benefits will flow to the entity and specific criteria have been met for each of the Company’s activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue from sale of goods is recognized, when all the following conditions are met :

The entity has transferred to the buyer the significant risks and rewards of ownership of the goods

- The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
- The amount of revenue can be measured reliably
- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sales include Export Duty and Freight on Consignment Sales wherever applicable and are net of GST. Sales are recognized on dispatch of goods to the customers. In respect of sea shipments, issue of Bill of Lading is considered as dispatch.

The Company recognizes revenue from contracts when it satisfies a performance obligation by transferring a promised service to a customer, over time. The company’s performance enhances an asset that the customer controls and the company has an enforceable right to payment for performance completed to date.

The revenue is measured on the basis of direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract. Any expected loss is reviewed at the end of the reporting period and provided for.

Interest is recognized on accrual basis subject to certainty of realization.

Sale of Scrap is accounted for upon lifting of Scrap by the buyers.

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.

Export incentives are recognized as and when recovery of the amount is certain.

1.6. Government Grants

Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the Profit or Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Monetary Government grant related to assets shall be presented by deducting the grant from the carrying amount of the asset and Non-monetary grant shall be recognized at a nominal amount.

1.7. 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 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 liability 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 substantively 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 recognised in respect of non-taxable government grant where the grant is deducted from carrying amount of asset.

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.

1.8. 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.

Variable lease payments based on market rental rate are part of the lease liability.

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.

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 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.

1.9. Impairment of Assets

Tangible 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 asset acquired free of charge or for a nominal amount, by way of government grant, shall be recognized at a nominal amount

1.10. 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.

1.11. Trade Receivables

Trade Receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

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. 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.

Raw Materials including Materials in transit, Stores & Spares, Consumables and Additives are valued at lower of cost and net realizable 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 Rs.1,000.00 each at the end of the year, are charged to consumption.

1.13. Non-Current Assets (or disposal groups) Held for Sale and Discontinued Operations

Non-current assets (or disposal groups) are classified as Held for Sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

Non-current assets classified as Held for Sale and the assets of a disposal group classified as Held for Sale are presented separately from the other assets in the Balance Sheet. The liabilities of a disposal group classified as Held for Sale are presented separately from other liabilities in the Balance Sheet.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as Held for Sale. Interest and the other expenses attributable to the liabilities of a disposal group classified as Held for Sale continue to be recognized. An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent

increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of de-recognition.

A discontinued operation is a component of the entity that has been disposed of or is classified as Held for Sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinate plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of Profit and Loss.

1.14. 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.

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.

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. Interest income from these financial assets is included in finance income using the effective interest rate method.

(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). Interest income from these financial assets is included in other income using the effective interest rate method.

(iii) Fair Value through Profit or Loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at Fair Value through Profit or Loss. 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. Interest income from these financial assets is included in other income.

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

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which required expected lifetime losses to be recognized from initial recognition of the receivables.

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.

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.

Income Recognition

Interest income from financial instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

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.

1.15. 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 depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Profit or Loss within other gains/(losses).

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.

Carrying amount of an item of PP&E shall be reduced by government grants in accordance with Ind AS 20.

Capital Work in progress consists of costs incurred on projects and other capital works under feasibility/commission stage. Cost includes related incidental expenses.

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 or, in the case of certain leased fittings and equipment, the shorter lease term.

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 01.04.2016

Plant & Machinery	Useful Life (in Years)
Port Facilities- Continuous Process	10
Port Facilities- Non- Continuous Process	10
Pellet Plant - Continuous Process	8
Pellet Plant - Non- Continuous Process	8
Captive Power Plant	15
Blast Furnace Unit	10

Depreciation in respect of Assets whose actual cost does not exceed Rs.5,000 each and Temporary Structures has been provided in full retaining a nominal value of Rs.1 per item.

Cost of Leasehold Land is amortized over the period of lease. Assets on leasehold land are depreciated over the useful life of the assets and the same shall be reviewed at the time of renewal.

1.16. Intangible Assets

Intangible assets are stated at cost less accumulated amortization over the useful life of the assets estimated on straight line basis. Cost incurred in respect of Software Products are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use
- Management intends to complete the software and use or sell it

- iii. There is an ability to use or sell the software
- iv. It can be demonstrated how the software will generate probable future economic benefits
- v. Adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- vi. The expenditure attributable to the software during its development can be reliably measured.

1.17. Investment Properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as Investment Property. Investment Property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

When part of an Investment Property is replaced, the carrying amount of the replaced part is derecognized.

Investment Properties are depreciated using Straight Line Method over their estimated useful lives. The useful life is determined based on technical evaluation performed by the management's expert.

1.18. Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

1.19. Provisions

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.

1.20. 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 benefit obligations 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.

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' Provident Fund 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.

1.21. Contributed Equity

Equity shares are classified as Equity. Incremental costs directly attributable to the issue of new shares or options are shown in Equity as a deduction, net of tax, from the proceeds.

Dividends: Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

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:

- 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.

1.22. 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. In case the mining rights are not renewed /crystallized, the balance related costs are charged to revenue in the year of decision of non- renewal/non-crystallization.

All expenditure associated with the acquisition of mining rights including related professional fee, payment towards statutory forest clearance before execution of Mining Lease Deed are treated as "Mining rights under Acquisition" and are disclosed under the head "Intangible Assets".

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the Statement of Profit and Loss.

1.23 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. Significant Estimates

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 operating 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.

Gratuity Assumptions

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.

For and on behalf of Board of Directors

M V Subba Rao

Chairman-cum-Managing Director

S K Gorai

Director (Finance)

as per our report of even date
for M/s Anand & Ponnappan
Chartered Accountants
(Firm Registration No: 000111S)

P K Mishra

Company Secretary

(V. Mohan)

Partner

Membership No: 015809

Place: Bengaluru

Date : 25/06/2020

NOTE-3.1

₹ in lakhs

PROPERTY, PLANT AND EQUIPMENT

Sl. No.	Description of Assets	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING AMOUNT	
		Carrying amount as at 01/04/2019	Additions during the year	Sales/ Adjustments	Gross carrying as at 31/03/2020	Accumulated Depreciation as at 01/04/2019	For the year	Sales/ Adjustments	Accumulated Depreciation as at 31/03/2020	As at 31/03/2020	As at 31/03/2019
PROPERTY, PLANT AND EQUIPMENT											
MINES & PLANT:											
1.	Land* - Freehold	2,146.87	-	-	2,146.87	-	-	-	-	2,146.87	2,146.87
	- Leasehold	1,248.53	-	(591.28)	657.25	-	-	-	-	657.25	1,248.53
2	Buildings	4,945.88	-	-	4,945.88	1,840.23	449.07	-	2,289.30	2,656.58	3,105.65
3	Plant & Machinery	1,8821.45	368.72	(121.42)	19,068.75	6,632.50	1,535.81	(22.67)	8,145.64	10,923.11	12,188.96
4	Furniture & Fittings - General	33.32	5.99	(0.04)	39.26	17.48	1.93	-	19.41	19.85	15.83
5	Vehicles	119.90	-	0.84	120.74	89.05	5.15	0.84	95.04	25.70	30.85
6	Equipments	281.86	59.58	(3.58)	337.86	156.13	49.41	(3.30)	202.24	135.62	125.73
7	Others										
	Roads, Bridges & Culverts	92.77	-	-	92.77	42.80	5.97	-	48.77	44.00	49.97
	Temporary Structures	1.43	3.80	-	5.23	1.43	1.01	-	2.43	2.80	-
	Water supply, Sewerage & Fire Prevention system	196.21	-	-	196.21	71.04	16.96	-	88.00	108.21	125.17
	Electrical Installation	1,181.87	-	-	1,181.87	429.84	106.96	-	536.80	645.07	752.03
	SUB TOTAL	29,070.09	438.09	(715.48)	28,792.70	9,280.49	2,172.28	(25.12)	11,427.65	17,365.05	19,789.59
TOWNSHIP											
1.	Land* - Freehold	32.81	-	-	32.81	-	-	-	-	32.81	32.81
	- Leasehold	-	-	-	-	-	-	-	-	-	-
2	Buildings	238.85	-	-	238.85	27.74	6.08	-	33.82	205.03	211.11
3	Furniture & Fittings - General	7.56	0.24	(0.29)	7.51	7.42	0.04	(0.25)	7.21	0.30	0.14
4	Vehicles	8.09	-	-	8.09	6.10	0.51	-	6.62	1.48	1.99
5	Equipments	7.45	7.72	0.30	15.46	5.46	0.77	0.15	6.38	9.08	1.99
6	Others										
	Roads, Bridges & Culverts	2.88	-	-	2.88	-	-	-	-	2.88	2.88
	Electrical Installations	3.26	-	-	3.26	1.62	0.21	-	1.83	1.43	1.64
	Water supply, Sewerage & Fire Prevention System	0.46	-	(0.31)	0.16	0.15	-	(0.15)	-	0.16	0.31
	SUB TOTAL	301.36	7.96	(0.30)	309.02	48.48	7.62	(0.25)	55.85	253.17	252.88
	GRAND TOTAL	29,371.45	446.05	(715.78)	29,101.72	9,328.97	2,179.90	(25.37)	11,483.50	17,618.22	20,042.47
	Previous year	25,946.99	1,793.15	708.10	29,371.45	5,772.09	1,925.55	708.11	9,328.98	20,042.47	20,174.88

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
3.1a : Description of Assets		
Property Plant and Equipment	2,179.90	1,925.55
Right of use assets	560.72	-
Intangible Asstes	8.46	1.27
Total	2,749.08	1,926.82
3.2 : Other Intangible assets		
Other Intangible Assets-Computer Software	84.21	7.75
Less: Amortisation made during the year	9.73	1.27
Total	74.48	6.48
3.3 : Intangible assets under development		
Mining Rights under Acquisition	84.59	63.81
Total	84.59	63.81
3.4 : Right of use assets		
Land	10,159.62	-
Building	41.39	-
Total	10,201.01	-
4 : Capital Work-in-progress		
Machinery under Installation	56.23	231.02
Work in Progress	1,949.77	125.56
Total	2,006.00	356.58
5.1.a : Loans (Non-current)		
Unsecured and considered doubtful		
Loan Receivables -credit in	1,800.00	1,800.00
Less: Loss allowance	1,800.00	1,800.00
Advances to Employees		
Considered good- Unsecured	102.96	101.89
Total	102.96	101.89
5.1.b : Loans (Current)		
Advances to Employees		
Considered good- Unsecured	71.95	67.44
Total	71.95	67.44
5.2.a : Other Financial Assets (Non-current)		
Deposits - Others	141.71	95.81
Total	141.71	95.81
5.2.b : Other Financial Assets (Current)		
Deposits - KEB for Power	996.01	993.20
Deposits - Others	2.78	44.23
Accounts Recoverable	259.43	112.23
Total	1,258.22	1,149.66
5.3 : Investment		
Liquid Mutual Funds	-	4,230.89
Total	-	4,230.89

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
5.4 : Trade Receivables (Current)		
(i) Considered Good Secured (Secured by Letter of Credit)	8752.74	5404.84
(ii) Considered Good Unsecured	3514.03	973.05
(iii) which have significant increase in credit risk	-	-
(iv) Credit Impaired	-	-
Total	12,266.77	6,377.89
5.5.a : Cash and Cash Equivalents		
Balances with Banks		
In Current Account	1,157.93	10,128.42
In Deposit Account (Maturity < 3 months)	34,770.00	34,164.00
In Deposit Account Flexi (Maturity < 3 months)	4,855.00	5,020.00
	40,782.93	49,312.42
Cash on hand	0.46	0.26
Stamps in hand (Unfranked balance)	0.03	0.05
Others	15.31	11.22
	40,798.73	49,323.95
Accrued Interest on Deposits with Banks	2,181.36	2,195.49
Total	42,980.09	51,519.44
5.5.b : Bank Balances other than Cash and Cash Equivalents		
(i) Other Bank Balances		
In Term deposits (3 months > Maturity < 1 year)	107,948.00	98,925.71
Accrued Interest on Bank Deposits	2,078.96	2,239.43
(ii) Un-paid Dividend	1.84	2.22
Total	110,028.80	101,167.36
6 : Deferred Tax Assets (Net)		
DTA on account of disallow. under IT Act	3,832.20	4,622.36
DTL on account of depreciation	3,605.21	5,597.39
Total	227.00	(975.03)
7.a : Inventories		
(As valued and certified by the Management)		
For Operations		
(a) Raw materials	3,270.06	3,957.41
Add : Raw materials in transit	5,484.20	6,983.24
	8,754.26	10,940.65
(b) Work in progress	1,980.78	2,472.67
(c) Finished goods	10,611.58	10,751.34
(d) Stores and Spares	3,054.68	4,040.06
Add: Stores in transit	20.12	168.67
	3,074.80	4,208.73
(e) Consumables and Additives	1,263.06	2,513.24
Total	25,684.48	30,886.63
8. Current Tax Assets (Net)		
Tax Deducted at Source	14,806.79	12,056.26
Less : Provision	10,991.28	8,463.86
Total	3,815.51	3,592.40
9.a : Other Non-Current Assets		
Non-Moving Stores - for 5 years or more	2134.66	1332.67
Surplus Stores	215.31	197.10

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
	2349.97	1529.77
Less : Provision for Impairment	2349.97	1529.77
Expenditure against Doubtful Projects		
Material handling facilities & Railway siding from Thokkur	376.63	376.63
Ductile Iron spun pipe plant	65.43	65.43
Others	311.84	311.84
	753.90	753.90
Less : Provision for Impairment	753.90	753.90
Planned Assets (LIC Managed Gratuity Fund) - Net	227.32	542.47
Total	227.32	542.47
9.b : Other Current Assets		
Claims from Statutory Authorities		
Railways & Customs	0.35	-
GST Input Credit including Transitional Credit	3,093.89	2553.93
GST Refund Claim	9.34	2506.48
VAT Refund Claim/ Input Credit	-	38.06
CST Reimbursement	-	81.22
	3,103.58	5,179.69
Advances		
Suppliers	4,944.31	2,379.36
Others	2,783.95	2,649.26
	7,728.26	5,028.62
Others	437.24	1,409.31
Prepaid Expenses	112.43	459.75
Total	11,381.51	12,077.37
10 : Share Capital		
Authorised :	67,500.00	67,500.00
67,50,00,000 Equity Shares of Rs.10/- each (Previous year 67,50,00,000 Equity Shares of Rs.10/- each)		
Issued, Subscribed and Fully paid-up :	62,192.56	62,192.56
62,19,25,565 Equity Shares of Rs.10/- each		
Total	62,192.56	62,192.56

- a) Terms and rights attached to Equity Shares - The Company has only one class of equity shares having a par value of Rs. 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	61,60,54,204 (99%)	61,60,54,204 (99%)

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
11 : Other Equity		
Capital Reserve		
Capital Redemption Reserve in terms of Section 69 of Companies Act' 2013	1,258.82	1,258.82
General Reserve		
As per last Balance Sheet	123,301.47	144,701.47
Less:-Buy Back of 1,25,88,235 Equity Shares @Rs.170 each	-	(21,400.00)

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Impact of IND AS 116 (Net of Taxes)	(2,158.10)	
	121,143.37	123,301.47
Retained Earning		
Opening Balance as on 01.04.2019	11,228.56	6,085.75
Profit/ (Loss) for the year	4,347.65	11,185.87
Appropriations		
Less : Final Dividend for the year 2017-18 including DDT	-	(6,043.06)
Less : Final Dividend for the year 2018-19 including DDT	(9,971.92)	-
	5,604.29	11,228.56
Other Comprehensive Income recognized directly in Retained Earning		
As per last Balance Sheet	1414.44	324.80
Add/(Less) : Re-measurements of post employment benefits obligations (Net of Tax)	(20.66)	1089.64
	1,393.78	1414.44
Total	129,400.26	137,203.28
12.1.a : Financial Liabilities (Non-current)		
Deposits from Suppliers, Contractors and Others		
(i) total outstanding dues of micro and small enterprises	0.07	0.06
(ii) total outstanding dues of other than micro and small enterprises	64.18	71.65
Total	64.25	71.71
12.1.b : Other Financial Liabilities (Current)		
Security Deposits from Suppliers, Contractors and Others		
(i) total outstanding dues of micro and small enterprises	71.24	96.08
(ii) total outstanding dues of other than micro and small enterprises	1,151.10	884.99
	1,222.34	981.07
Accrued Salaries and Employee Benefits claims	5,779.50	6,676.72
Liability for Expenses		
(i) total outstanding dues of micro and small enterprises	16.66	1.77
(ii) total outstanding dues of other than micro and small enterprises	1,797.35	974.40
	1,814.01	976.17
Others	-	4.71
Total	8,815.85	8,638.67
12.1.c : Lease Liabilities (Non-current)		
Land	11,112.69	-
Building	17.16	-
Total	11,129.85	-
12.1.d : Lease Liabilities (Current)		
Land	1,225.78	-
Building	25.79	-
Total	1,251.57	-
12.2 : Trade Payables		
Trade Payables		
(i) total outstanding dues of micro and small enterprises	71.75	72.24
(ii) total outstanding dues of creditors other than micro and small enterprises	11,049.72	10,692.13
Total	11,121.47	10,764.37
(a) For Goods	10,205.73	10,039.65
(b) For Works	766.48	600.81
(c) For Services	149.26	123.91
Total	11,121.47	10,764.37

₹ in Lakhs		
Particulars	As at March 31, 2020	As at March 31, 2019
13.1.a Employee Benefit Obligation (Non-current)		
Provisions towards Employee Benefits : Non-current		
Other Superannuation Benefits	3,058.80	3,118.54
Long term Compensated absence - EL	2,858.94	2,646.61
Long term Compensated absence - HPL	2,700.19	2,554.37
Provident Fund interest Guarantee Obligation	488.80	220.59
Total	9,106.73	8,540.11
13.1.b : Employee Benefit Obligation (Current)		
Provision towards Employee Benefits: Current		
Short term Compensated absence - EL	595.69	420.39
Short term Compensated absence - HPL	95.19	183.73
Total	690.88	604.12
14 : Other Current Liabilities		
Advances Received	1,483.63	449.26
Liability for Expenses	2,711.39	2,711.40
Unclaimed dividend pending encashment of warrants	1.84	2.23
Others	200.34	125.85
Total	4,397.20	3,288.74
15 : Revenue from Operations (Net)		
Sale of Products (Net of GST)		
Pellets	187,897.16	182,597.20
Pig Iron	2.40	3.37
Auxiliary	167.66	276.15
Trading of Pig Iron	349.97	-
Net Sales	188,417.19	182,876.72
Sale of Services	4,129.68	4,349.53
Other Operating Income		
Provision no longer required	506.62	1,162.50
Rent Income	165.77	148.42
Despatch Money	37.94	37.29
Exchange Variation	399.33	126.27
Others	108.26	70.24
	1,217.92	1,544.72
Total	193,764.79	188,770.97
16 : Other Income		
Interest income		
On Deposits with Banks valued at Amortised Cost	10,314.07	11,164.67
Others valued at Amortised Cost	403.06	331.77
Short Term Capital Gain- Liquid Mutual Funds	608.47	527.30
Other Non-operating income		
Profit on sale of Assets (Net)	38.77	37.24
Hire charges	3.56	0.14
Sale of Scrap	519.55	365.11
Others	0.74	70.62
Total	11,888.22	12,496.85

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
17.a : Changes in Inventories (Increase)/Decrease		
Finished Stock-Pellet		
Balance as at the beginning of the year	10,751.34	6,945.55
Less: Balance as at the close of the year	10,611.58	10,751.34
	139.76	(3,805.79)
Finished Stock-Pellet feed		
Balance as at the beginning of the year	2,472.67	2,247.61
Less: Balance as at the close of the year	1,980.78	2,472.67
	491.89	(225.06)
Total	631.65	(4030.85)
17.b : Consumables, Stores Spares & Additives		
Cost of Stores & Spares consumed	3,051.81	3,921.26
Cost of Consumables & additives consumed	5,201.26	4,886.14
Total	8,253.07	8,807.40
18 : Employee Benefits Expense		
Salaries and Wages	13,597.71	14,112.12
Contribution to Provident Fund	1,365.45	1,191.80
Contribution to Gratuity Fund	316.15	561.54
Contribution towards other Superannuation Benefits	927.46	-
Staff Welfare Expenses	733.13	955.80
Total	16,939.90	16,821.26
19 : Other Expenses		
Rent	121.99	1,307.05
Rates and Taxes	232.99	254.68
Insurance charges	61.56	69.16
Travelling Expenses	166.79	184.45
Repairs and Maintenance		
Building	343.85	440.91
Machinery	1,033.82	1,187.82
Others	196.53	132.28
	1,574.20	1,761.01
Postage and Telephone charges	25.95	32.90
Advertisement and Publicity	89.97	86.96
Expenses on Security	1,299.83	932.11
Payment to Auditors		
for Audit	7.75	7.00
for Taxation matters	1.50	1.25
for Other services	1.10	0.90
for Reimbursement of expenses	1.00	1.00
	11.35	10.15
Cost Audit Fee and Reimbursement expenses	0.50	0.50
Demurrage on Exports	1.60	0.20
Port charges, Sampling Survey and cess	1,353.66	1,089.10
Bank charges including discounting of bills	20.84	30.17
Entertainment	9.82	6.13
Forest, Ecology & Pollution control expenses	79.28	90.56
Directors Sitting fees	11.05	9.65

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Corporate Social Responsibility	331.42	32.51
Provision for Surplus Stores, DDRs and Others	820.20	-
Miscellaneous expenses	604.16	681.56
Total	6,817.16	6,578.85
20 : Finance Costs		
Interest on Working Capital	19.70	80.26
Interest On Operating Lease	938.98	-
Interest on Income Tax	38.18	-
Total	996.86	80.26
21 : Tax Expense		
Current Tax	2,377.12	4,357.88
Earlier years (Net)	112.12	-
Deferred Tax	(469.25)	2,868.44
Total	2,019.99	7,226.32
22 : Other Comprehensive Income		
Items that will not be Re-classified to Profit and Loss		
Un-realised gain on Liquid Mutual Fund		
Remeasurement of Defined Benefit plan	(172.97)	1980.06
Less : Change in Asset Ceiling under para64(b) of IND AS 19	145.36	(305.14)
Less : Tax (expenses)/benefit on the above	6.95	(585.28)
Total	(20.66)	1,089.64

Note 23 - Information regarding Value of Production, Stocks, Consumption, Value of imports Expenditure and Earnings in Foreign Exchange

Particulars	"Figures as at the end of Current Reporting Period 31/03/2020"		
	Iron Ore Concentrate (₹ in lakhs)	"Iron Ore Pellets" (₹ in lakhs)	Pig Iron (₹ in lakhs)
Actual Production	Nil (Nil)	187,757.39 (186,603.61)	- -
Opening Stock	Nil (Nil)	10,751.34 (6,945.55)	- -
Closing Stock	Nil (Nil)	10,611.58 (10,751.34)	- -
Sales (Gross)	Nil (Nil)	187,897.16 (182,597.20)	170.06 (279.52)

Note:

- Pig Iron includes Auxiliary.
- Previous year's figures indicated in bracket.

Note-23 Contd...

Particulars	Figures as at the end of Current Reporting Period 31/03/2020			Figures as at the end of Previous Reporting Period 31/03/2019		
	Qty (MT)	₹ in Lakhs	%	Qty (MT)	₹ in Lakhs	%
Consumption of Raw Materials						
Imported : Iron Ore	259,320	19,876.22	14.39%	146,250	10,205.38	7.93%
Indigenous : Iron Ore Fines/(WIP)	2,115,680	118,286.37	85.61%	2,091,750	118,568.40	92.07%
Total	2,375,000	138,162.59	100.00%	2,238,000	128,773.78	100.00%
Consumption of Stores, Spares and Fuel						
Imported		6,288.17	34.73%		12,704.85	65.24%
Indigenous		11,818.67	65.27%		6,769.89	34.76%
Total		18,106.84	100.00%		19,474.74	100.00%
Included under :						
Stores and Spares		3,060.21			3,921.27	
Fuel		15,045.57			15,552.36	
Welfare Expenses		1.06			1.11	
Total		18,106.84			19,474.74	
Consumption of Consumables & Additives						
Imported :						
Lime stone	60,263	822.33	15.81%	54,508	698.38	14.31%
Coke fines	38,353	3,561.93	68.48%	30,718	3,091.83	63.34%
Total (a)		4,384.26			3,790.21	
Indigenous :						
Bentonite	15,614	556.64		17,937	604.42	
Coke fines	1,106	113.80	15.71%	2,562	286.06	22.36%
Burnt lime	2,442	146.55		3,594	200.79	
Dolomite				-	-	
Total (b)		817.00			1,091.27	
Total (a + b)		5,201.26	100.00%		4,881.48	100.00%
Expenditure incurred in Foreign Currency (On remittance basis)						
Travelling		5.56			11.42	
Other expenses		35.35			581.39	
Demurrage on Exports					3.81	
Value of Imports on CIF Basis						
Raw materials		19,876.22			15,199.11	
Components and spare parts		495.89			1,041.22	
Consumables and additives		9,305.46			17,992.09	
Total Expenditure		29,718.49			34,829.04	
Earnings in Foreign Exchange (on Receipt basis)						
Export of goods (FOB)						
(₹ in Lakhs)		157,413.03			124,697.88	
equivalent of above in (US \$ Million)		222.45			178.45	
Total Earning		157,413.03			124,697.88	
Net Foreign Exchange Earning		127,694.54			89,868.84	

Note 24: Other Notes forming part of Financial Statements

1. Capital Commitment and Contingent/Disputed Liability

S. No	Particulars	As on 31/03/20 (₹ in Lakhs)	As on 31/03/19 (₹ In Lakhs)
A.	Estimated amount of the Contracts to be executed on Capital Account and not provided for (Net of Advances)	5,034.32	4,355.14
B.	Contingent Liabilities not provided for:		
	1. In respect of - Letters of Credit and Bank Guarantees etc., outstanding		
	• On Revenue Account	840.30	6,782.46
	• On Capital Account	-	-
	2. Claims against the Company not acknowledged as debt.		
	• On Revenue Account*	50,563.14	51,046.12
	• On Capital Account	14,986.15	15,006.15

(*includes ₹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 03.12.2015 directing the Govt. of Karnataka to refund the FDT within three months. However, it has been informed that the Govt. of Karnataka has filed Special Leave Petition before the Hon'ble Supreme Court of India. The matter was listed on 09.08.2019 and the Hon'ble court directed to list the appeal for hearing.

The amount of ₹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 Current Assets" in Books of Accounts and the Bank Guarantee equivalent to ₹2,734.87 Lakhs furnished to NMDC in this regard has not been included under the contingent liability.

3. Disputed Liabilities in Appeal on Revenue Account

- Excise Duty ₹5,848.31 Lakhs
- Service Tax ₹60.77 Lakhs

During the year, the company has settled the disputed Liabilities on account of Services Tax under "Sabka Vikhas Scheme, 2019" and paid an amount of ₹8.86 Lakhs (including amount paid at the time of filling appeals) against disputed service tax liability for ₹29.54 Lakhs.

- C. Demands made by the Income Tax Department, which are disputed by the Company and payments made against each demand under protest are as under:

Asst. Year	Disputed Demand (₹ in Lakhs)	Amount Paid (₹ in Lakhs)	Balance as on 31/03/2020 (₹ in Lakhs)	Pending with
2013-14	440.32	456.22	-	Commissioner of Income Tax (Appeals)
2014-15	192.96	192.94	-	
2017-18	59.82	207.41	-	

As per Company's assessment, there will not be additional financial implication over and above the provisions already made.

- D. The Company sought rectification of mistake u/s 154 of Income Tax Act, 1961 in the computation of taxable income for the Assessment Year 2013-14 involving tax demand of ₹383.76 Lakhs and for the Assessment Year 2017-18 tax amount of Rs 134.36 Lakhs, including interest which are pending before the Assessing Authority.

2. With the suspension of mining operations at Kudremukh mine site, the Company is procuring the iron ore fines from NMDC mines and transporting it to its plant at Mangaluru by rail or rail cum sea route.

Railways vide letter No. H/C.474 Classification/11 dated 21.10.2011 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 ₹14,463.93 lakhs and ₹ 10,361.38 lakhs respectively towards distance-based charge (DBC) over and above normal freight on Iron ore transported.

DBC will 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.

Against the demand of Rs 14,463.93 Lakhs of SWR, 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. Accordingly, ₹8,325.15 Lakhs was paid and for the balance amount of ₹6,138.77 Lakhs provision has been made in the books.

Similarly, against the demand of Rs 10,361.38 Lakhs of ECR which after considering the freight already paid, worked out to be Rs 6,740.94 Lakhs, KIOCL has filed WRIT petition before High Court of Orissa and High Court granted stay subject to deposit of 50% amount excluding the penalty. Against the worked-out liability, the Company paid ₹5,188.86 Lakhs and the balance amount of ₹1,552.08 Lakhs provision has been made in the books.

Both the cases are not listed so far. Railway has filed transfer petition before Supreme Court and both the cases are stayed by Supreme Court.

3. 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 01/04/2007 to 21/05/2008 through the Company's private Railway Siding at Panambur, Mangaluru which was commissioned in January 2006. SWR refunded only ₹2,725.39 Lakh till date which includes ₹206.70 Lakh adjusted by SWR towards DBC. The Company has approached Railway Claims Tribunal (RCT), Bengaluru for refund of the balance amount of ₹4,152.70 Lakh with interest. The Tribunal allowed the claim by its order dated 07/12/2018 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 01/04/2019. SWR has filed petition against the order of Tribunal in Hon'ble High Court of Karnataka on 11/04/2019 vide case no MFA/3165/2019. The Company has not recognized the above as income in line with the Company's significant accounting policy No.1.5, pending realization.

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, the Company claimed refund of ₹ 254.45 Lakhs from SWR towards differential freight. However, SWR has not refunded the amount. Hence, the Company approached RCT, Bengaluru and has claimed ₹254.45 Lakhs with interest. The Tribunal dismissed the claim and the Company filled appeal before Hon'ble High Court of Karnataka and the same is pending.

East Coast Railway have collected 100% congestion surcharge instead of 30% for the rakes moved during the period from 15/04/2008 to 21/05/2008. 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 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 and the same is pending.

4. In pursuance of the directive of the Hon'ble Supreme Court, mining activities at Kudremukh were stopped with effect from 1st 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 06/05/2005. 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 and which is presently lying with the adhoc 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 or the designated officer shall move to the Court for necessary direction.

Ministry of Mines Government of India, vide letter dated 07/02/2014, nominated the Regional Controller of Mines, IBM Bengaluru as the 'Designated Officer' to take possession of Kudremukh Iron Ore Mines. Accordingly, the Company has handed over the possession of the Kudremukh Iron Ore Mines on 03/04/2014 to the Regional Controller of Mines, IBM Bengaluru.

Subsequently, officials of IBM Bengaluru and IIT, Delhi inspected the mine site on 20/05/2014, 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 sufficient. In addition to above, the Company has also made provision to the extent of ₹600 Lakhs which is sufficient to meet the expenditure on mine closure, no further liability is considered necessary.

5. Executive Pay revision w.e.f. 01/01/2017 effected during the current year. Reassessment of provision has been made and balance provision has been withdrawn and shown as Provision no longer required under the head "Other Operating Income". Revision of Scales of Pay & Allowances in respect of Non-Executive Employees w.e.f. 01/01/2017 already approved by the Board, accordingly reassessment of provision has been made and additional amount provided during the year and the same has been included under the head "Employees Benefit Expenses".
6. Plant Property & Equipment (PPE) includes land measuring 114.31 Hectares located on Kudermukh wherein the Mining operation was w.e.f. 01/01/2006 on the order of Hon'ble Supreme Court. The land neither qualify for Investment Property (Ind AS 40) as it is not being held for capital appreciation and nor qualify for Asset held for sale (Ind AS 105). The decision on land is pending with Central Empowered Committee (CEC).

The Company has adopted Indian Accounting Standard (Ind AS) as notified by the Ministry of Corporate Affairs with Effect from April 1, 2016 with transition date of April 1, 2015. As per provision of Ind AS 101, the Company continues with carrying value for all of its "Property, Plant and Equipment" as recognized in the Financial Statements as on the date of transition to Ind As, measured as per the IGAAP and use that as deemed cost as at the date of transition after making necessary adjustments for the commissioning liabilities.

7. Depreciation on Fixed Assets 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.

Assets other than Roads, Bridges and Culverts, Township, Furniture & Fittings, Computers, Vehicles are provided on their remaining value reduced by residual value over its remaining useful life as technically assessed. The residual values are reviewed periodically. As on 01/04/2014 the remaining useful life for assets including plant buildings which are its integral part, in Pellet Plant and Blast Furnace Unit was estimated at 8 years, Captive Power Plant 15 years and Port Facilities including grinding and balling unit 10 years. However, the useful life of Blast Furnace Unit was technically assessed by the committee during the year 2016-17 at 10 years from 01/04/2016. Additions during the year to P&M and Buildings in the above units are also limited to those useful lives.

Other assets are depreciated in accordance with useful life of the assets as indicated in Part C of Schedule II of Companies Act, 2013.

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 (from the date of commissioning)		As per KIOCL Committee proposal (from 01/04/2014)	
	Life	Deprn. %	Life	Deprn. %
Plant & Machinery:				
PF-Continuous process	25	3.80	10	9.50
PF-Non continuous	15	6.33	10	9.50
PP-Continuous process	25	3.80	8	11.88
PP-Non continuous	15	6.33	8	11.88
CPP	40	2.38	15	6.33
BFU	20	4.75	10	9.50

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, Computers - Normal & Computers - Servers, the useful life as per Schedule II of the Companies Act, 2013 has been adopted.

Component accounting of tangible fixed 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.

8. The following additional information is provided with reference to Ind AS 16, Property Plant and Equipment.

S. No	Particulars	Amount (₹ in Lakhs)
1	Carrying amount of temporarily idle Property, Plant and Equipment	-
2	Gross carrying amount of any fully depreciated Property, Plant and Equipment that is still in use	184.77
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.	82,095.60

9. Total mining lease areas of 4,605.02 hectares of land at Kudremukh include an extent of 1,220.03 hectares of government revenue land, apart from forest land and the Company's free hold land. Regional Controller of Mines IBM, the designated officer has taken over the entire mining lease area on 03/04/2014 for carrying out the mine closure activities in compliance with Hon'ble Supreme Court orders dated 15/12/2006. 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 Civil Judge Court, Mudigere for an injunction against Government and others, restraining them from dispossessing the Company from the said revenue land. The court heard the arguments and passed an interim order on 05/11/2013 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 20/11/2017.

Taking into consideration of taking over 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 IBM for carrying out the mine closure activities in the mine in compliance of Hon'ble Court's direction although their physical possession held with the Company, the Company depreciated all its township assets in full during the year 2014-15 as a prudent measure.

10. Leases :

Transition to Ind AS -116:

Effective from April 1, 2019, the Company adopted Ind AS 116, Leases and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to General Reserve, on the date of initial application.

Consequently, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate and the ROU asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application.

Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Financial Statements ended March 31, 2019.

Measurement of Lease Liabilities:

	(₹ in Lakhs)
Particulars	Amount
Operating lease commitments disclosed as at 31 March 2019*	29,808.97
Discounted using the group's incremental borrowing rate of 8.20%	12,610.40
(Less): Short-term leases recognized on a straight - line basis as expense	-
(Less): Low-value leases recognized on a straight - line basis as expense	-
(Less): Contracts reassessed as service agreements	-
Add/(less): Adjustments as a result of a different treatment of extension and termination options	-
Add/(less): Others	65.46
Lease liability recognized as at 1 April 2019	12,675.86
of which are	
Land	12,610.40
Other Assets	65.46

*Note: - On transition date Lease commitment estimated for ₹29,808.97 lakhs as against disclosed in the annual accounts for 2018-19 of ₹29,741.18 lakhs.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 10,749.05 Lakhs, and a lease liability of ₹ 12,675.86 Lakhs. The cumulative effect of applying the standard, amounting to ₹ 2,158.10 Lakhs was debited to General Reserve, net of taxes. Further, there is an additional impact on the financials for the year, which is as follows: -

	(₹ in Lakhs)
Particulars	As at March 31, 2020
Expenses on account of Depreciation	560.72
Interest on Lease Liability	938.98

Particulars	As at March 31, 2020
Accrual lease rent payment	(1239.45)
Total	(260.25)

Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
2. Applied the exemption not to recognize ROU assets and liabilities for leases with less than 12 months of lease term on the date of initial application
3. Excluded the initial direct costs from the measurement of the ROU asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The difference between the lease obligation recorded as of March 31, 2019 under Ind AS 17 disclosed under Note 23.1 of the Financial Statements and the value of the lease liability as of April 1, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

The weighted average incremental borrowing rate applied to NMPT lease liabilities as at April 1, 2019 is @ 8.20% and for Office and Guest house leases is @8.45%.

The changes in the carrying value of ROU assets for the year ended March 31, 2020 are as follows:

(₹ in Lakhs)

Particulars	Category of ROU assets		Total
	Land*	Building	
Recognition of ROU on transition as at April 1, 2019	10,686.95	62.10	10,749.05
Additions	-	28.16	28.16
Deletion	-	(15.48)	(15.48)
Depreciation	(527.33)	(33.39)	(560.72)
Balance as at March 31, 2020	10,159.62	41.39	10,201.01

* The ROU of land includes a 99 years leasehold land which has taken by company on payment of upfront lease premium at the time of commencement of lease.

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

The break-up of current and non-current lease liabilities as at March 31, 2020 is as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2020
Current lease liabilities	1,251.57
Non-current lease liabilities	11,129.85
Total	12,381.42

The movement in lease liabilities (LL) during the year ended March 31, 2020 is as follows:

(₹ in Lakhs)

Particulars	Year ended March 31, 2020
Recognition of LL on transition as at April 1, 2019	12,675.86
Additions	28.16
Finance cost accrued during the period	938.98
Deletions	(16.74)
Payment of lease liabilities	(1,244.84)
Balance at the end	12,381.42

The details of the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2020
Less than One Years	Nil
One to five years	585.12
More than five years	28,101.06
Total	28,686.18

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 fall due.

Rental expenses recorded for short- term leases were ₹206.62 Lakhs for the year ended March 31, 2020.

Rental income on assets given on operating leases was ₹152.00 Lakhs for the year ended March 31, 2020.

11. The Company holds nine tracts of Land totaling 386,691 Sq. Mtrs. on long term lease from New Mangaluru Port Trust.

Lease of the following four tracts of land although expired and pending registration, are considered as “Lease continuing” in view of company’s request for extension of lease with M/s. NMPT and the same being under their consideration and continuing in paying annual lease rent and the same is duly acknowledged and accepted by M/s NMPT:

- 213,783 Sq Mtrs of land taken for Port facilities
- 9,120 Sq Mtrs of land taken for storage of iron ore fines
- 27,008 Sq Mtrs of land taken for pellet storage yard and
- 21,270 Sq Mtrs of land taken for Captive Power Plant

12. Govt. of Karnataka vide its Gazette notification dated 23/01/2017 has made a reservation of an area of 470.40 ha in Devadari Range in Ballari District for iron ore and manganese ore mining lease in favour of KIOCL under the provisions of Section 17A (2) of Mines and Minerals (Development and Regulation) Act, 1957.

The company is in the process of registration of Mining lease deed in its favour. During the process, the company has to obtaining a prerequisite statutory clearance viz. Mining Plan, Environment Clearance and Forest Clearance.

Till date, only Mining plan has been approved by Regional Controller of Mines, Indian Bureau of Mines, Bengaluru. Remaining two clearances are under process at their respective departments.

However, expenditure associated with the acquisition of mining rights including related professional fee, processing fee before execution of Mining Lease Deed of ₹ 84.59 Lakhs (Previous year ₹ 63.81 Lakhs) are treated as “Mining rights under Acquisition” and are classified under the head “Intangible Assets under Development” vide note no.3.3

13. Inventories :

As per Indian Accounting Standard (Ind AS) -2, ‘Valuation of Inventories’, materials and other supplies used in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. However, when there has been a decline in the price of materials and it is estimated that the cost of the finished products will exceed net realizable value, the materials are written down to net realizable value.

During the year, following inventories are valued at net replacement cost and the same has been given effect in the Statement of Profit and Loss for the year:

(₹ in Lakhs)

Category	As on March 31,2020	As on March 31,2019
Iron Ore Fines (including Semi-Finished) and Additives	512.17	288.04
Furnace Oil	335.17	Nil
Manganese ore	(0.94)	(21.31)
Impact on Profit	846.40	266.73

14. During supplementary audit of annual account for the year 2018-19, C&AG has made observation that classification of amount invested in Mutual Funds under Cash and Cash Equivalents is incorrect. It should be classified under Current / Non-current Investments as required under the provisions of Schedule-III of the Companies Act, 2013 and submitted comments under section 143(6)(b) of the Companies Act 2013. The company has also obtained an expert opinion and re-classified the

investments made in Liquid Mutual Funds as Current Investments under note-5.3 as against the Cash and Cash Equivalents in the previous year. Accordingly, the carrying amount of the same is as on 31/03/2020 was Nil (Previous year ₹4,230.89 lakhs).

15. During the year, the company has obtained opinion from Expert Advisory Committee of ICAI in relation to classification of Capital Spares in view of the Supplementary Audit comments raised by the C&AG for the year 2018-19. Accordingly, the Company has formed a technical committee to review the Capital Spares. The committee has recommended that these Spares are critical spares required for normal repairs and maintenance of respective Plant and Machineries and should be classified as normal Inventory. Out of the total Spares of ₹ 971.64 Lakhs as on 31/03/2020, Spares worth ₹ 811.73 Lakhs are moved to “Non-current Assets” as they are Non-Moving Stores - for 5 years or more in Note No 9.a. and 100% Provision made towards Impairment Loss in accordance with the practice of the company. Balance Spares worth Rs 159.91 Lakhs are included in “Stores and Spares” under the head Inventories in Note no 7.a.
16. Stores & Spares not moved for 5 years or more are classified as non-moving/surplus stores for which 100% provision towards impairment made in the books of accounts. The movement of the provisions are as follows:

(₹ in Lakhs)

Particulars	Non-moving	Surplus	Total
Opening as on 1.4.19 (A)	1,332.67	197.10	1,529.77
Provision towards Impairment made (B)	801.99	18.21	820.20
Closing Balance as on 31.3.20 (C=A+B)	2134.66	215.31	2,349.97

17. Since then closure of mining activities consequent upon the judgment of Hon’ble Supreme Court w.e.f. 01/01/2006, Mangaluru 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.
18. Employee Benefits- Actuarial Valuation
- a) 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. 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 of service subject to a maximum of ₹20 Lakhs as per the Payment of Gratuity Act, 1972 as amended by board in 257th Meeting held on 26th March 2019. The same is payable at the time of separation from the company or retirement, whichever is earlier. The benefits vest after five years of continuous service. Net Asset recognized in Balance Sheet is ₹227.32 Lakhs (Previous year ₹542.47 Lakhs).
- b) Present Value of Future Obligations (as at the Balance Sheet date) as per Actuarial Valuations are:
- Long term compensated absence - Earned Leave ₹3,454.62 Lakhs (Previous year ₹ 3,066.96 Lakhs)
 - Long term compensated absence - Half pay Leave ₹2,795.38 Lakhs (Previous year ₹ 2,738.09 Lakhs)
 - Provident Fund Interest Guarantee Obligation: ₹268.21 Lakhs (Previous year ₹220.59 Lakhs)

Disclosure required as per Indian Accounting Standard (Ind AS) - 19 on ‘Employee Benefits’ are appended.

19. The Company is having two 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 appended.
20. The Company had intended to restart BFU Operation during the year 2019-20, however due to un-economic price of Pig Iron, Blast Furnace Unit (BFU) could not be operated during the year. The recoverable amount in each class of assets in BFU and other Units are more than the carrying amount. Hence, there is no impairment loss to be recognized during the year.

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). At present, the company is in the process of floating the tenders.

During the year the Company has incurred ₹ 14.70 Lakhs towards Excavation and loading 2,256.30 MT of auxiliary material of Pig Iron at BFU. The said materials of 1,946.30 MT worth ₹170.06 Lakhs were sold during the year (Previous year 2,081.45 MT worth ₹279.52 Lakhs). As at the end of the year, Company was holding a physical stock of 720 MT (Opening 410 MT plus excavated 2,256.30 MT less 1,946.30MT sold) of the same (Previous year 410 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 ₹ 54.00 Lakhs (Previous year ₹44.11 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.

21. Under Services, the Company had undertaken the following contracts during the year:

- O&M of Pellet & Beneficiation plant of NMDC Donimalai up to 31.10.2019(NMDC).
- Leasing and O&M of furnace oil tanks (IOCL).
- Completion of balance portion of the work for the New Chrome Ore Beneficiation Plant (COBP) at South Kaliapani, Odisha (OMCL).

The summary of revenue earned and expenditure incurred with respective to the said contracts are tabulated as follows:

(₹ in Lakhs)

Particulars	As on March 31,2020		As on March 31,2019	
	Revenue Earned	Expenses Incurred (net)	Revenue Earned	Expenses Incurred (net)
M/s NMDC	2,504.21	1,837.05	3,992.84	3,064.96
M/s IOCL	116.10	Nil	116.10	Nil
M/s OMCL	685.87	614.08	91.33	136.12

The revenue generated from of the above has been accounted for as “Revenue from Operations” and the expenditure incurred including salaries and benefits has been accounted for under respective heads of account.

22. The Company has been granted recognition as Mineral Exploration entity u/s 4(1) of MMDR Act 1957 to carry out Mineral Exploration activities. The Company was allotted to carry out Mineral Exploration at Ubdur Area Block, Mysore District Karnataka by National Mineral Exploration Trust (NMET) with a total value of ₹ 500.74 Lakhs plus GST on reimbursement basis. During the year against the completion of stage II & III revenue earned ₹221.52 Lakhs (Previous year ₹149.25 Lakhs) which is accounted as Revenue from Operations under the head Sale of Services. During the year M/s NMET has awarded Neerbudhihal Limestone & Dolomite Block with value ₹157.32 Lakhs plus applicable GST. An amount of ₹20.60 Lakhs invoice raised (to the extend work completed) against total work order value and the same is accounted as Revenue from Operations under the head Sale of Services.

Further during the current year Government of Karnataka (GOK) has allotted to carry out Mineral Exploration of 10 blocks with value ₹9,958.66 Lakhs plus applicable GST. An amount of ₹581.39 Lakhs invoice raised (to the extend work completed) against total work order value and the same is accounted as Revenue from Operations under the head Sale of Services.

23. (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.

24. The Company has spent ₹331.42 Lakhs (Pervious year ₹32.51 Lakhs) towards CSR during the year 2019-20, as against the minimum amount to be spent of ₹ 200.95 Lakhs.

25. Micro Small and Medium Enterprise

The amount payable to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) for the year 2019-20 is ₹ 159.72 Lakhs (Previous year ₹ 170.15 Lakhs) and the same has been included in note 12.1. & 12.2.

No interest is paid/payable during the year to any micro or small enterprise registered under the MSMED.

The said information has been determined to the extent of such parties that could be identified on the basis of the information available with the Company regarding the status of suppliers under the MSMED.

During the last year, the Company has opened Trade Receivable Discounting System (TReDS) Account with RXIL for facilitating trade receivables with MSME.

26. 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 risks and mitigating actions are also placed before the 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 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	Notes No.	Carrying amount	< 12 months	> 12 months	Total
As at 31st March 2020					
Trade payables	12.2	11,121.47	11,121.47	-	11,121.47
Lease Liability	12.1.c,d	12,381.42	1,251.57	11,129.85	12,381.42
Other financial liabilities	12.1.a,b	8,880.10	8,815.85	64.25	8,880.10
As at 31st March 2019					
Trade payables	12.2	10,764.37	10,764.37	-	10,764.37
Lease Liability	12.1.c,d	-	-	-	-
Other financial liabilities	12.1.a,b	8,710.38	8,638.67	71.71	8,710.38

II. Management of Market Risk

Market risks comprises 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, due to the Company's sales are secured against Letter of Credit and/or Bank Guarantee. Accordingly, Company has assessed that the impact of expected credit loss on receivable to be negligible.

IV. Foreign Currency Risk

The Company being an EOU 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). The Company's exposure to foreign currency risk as at the end of reporting period expressed in INR are as follows:

(₹ in Lakhs)

Particulars	As at 31st March 2020				
	USD	EUR	JPY	GBP	Total
Financial Assets					
Trade Receivables	8,763.16	-	-	-	8,763.16
Financial Liabilities					
Long Term Borrowings	-	-	-	-	-
Trade Payables	2.52	-	-	-	2.52
Other Liabilities	71.82	-	-	-	71.82
Total	74.34	-	-	-	74.34
Less: Currency forwards	8,382.03	-	-	-	8,382.03
Net exposure to foreign currency risk	306.79	-	-	-	306.79
Increase /(decrease) to Profit before Tax for changes of 5% against INR					
Strengthened	15.34	-	-	-	15.34
Weakened	(15.34)	-	-	-	(15.34)

(₹ in Lakhs)

Particulars	As at 31st March 2019				
	USD	EUR	JPY	GBP	Total
Financial Assets					
Trade Receivables	5,405.26	-	-	-	5,405.26
Financial Liabilities					
Long Term Borrowings	-	-	-	-	-
Trade Payables	174.21	11.74	-	-	185.95
Other Liabilities	29.05	-	-	-	29.05
Total	203.26	11.74	-	-	215.00
Less: Currency forwards	4,834.55	-	-	-	4,834.55
Net exposure to foreign currency risk	367.45	11.74	-	-	379.19

27. 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 Profit and Share Capital. The Company aim to manage its 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.

28. Fair Value Measurements

i) Financial instruments by category

(₹ in Lakhs)

	31.03.2020			31.03.2019		
	FVPL	FVOCI	Amortized Cost	FVPL	FVOCI	Amortized Cost
Financial Asset						
Loans	-	-	174.91	-	-	169.33
Trade Receivables	-	-	12,266.77	-	-	6,377.89
Cash and cash equivalents	-	-	42,980.09	-	-	51,519.44
Other Financial Assets	-	-	1,11,428.73	-	-	1,06,643.72
Total Financial Assets	-	-	1,66,850.50	-	-	1,64,710.38
Financial Liabilities						
Trade Payables	-	-	11,121.47	-	-	10,764.37
Lease Liability	-	-	12,381.42	-	-	-
Other Financial Liabilities	-	-	8,880.10	-	-	8,710.38
Total Financial Liabilities	-	-	32,382.99	-	-	19,474.75

ii) Fair Value Hierarchy

Management considers that the carrying amount of those financial assets and financial liabilities that are not subsequently measured at fair value, in the Financial Statements are approximate to their fair values.

No financial instruments are recognized and measured at fair value for which fair values are determined using the judgments and estimates.

Assets and Liabilities which are measured at amortized cost for which fair values are disclosed at 31st March 2020

(₹ In Lakhs)

Particulars	Level - 1	Level - 2	Level - 3	Total
Financial Assets				
Loans	-	-	174.91	174.91
Total Financial Assets	-	-	174.91	174.91

(₹ In Lakhs)

Assets and Liabilities which are measured at amortized cost for which fair values are disclosed at 31st March 2019

Particulars	Level - 1	Level - 2	Level - 3	Total
Financial Assets				
Loans	-	-	169.33	169.33
Total Financial Assets	-	-	169.33	169.33

During the year there are no financial instruments which are measured at Level 1 and Level 2 category.

The fair value of financial instruments referred to above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The categories used are as follows:

- Level 1: This hierarchy includes financial instruments measured using quoted prices.
- Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in this level.
- Level 3: Derived from valuation techniques that include inputs for the Asset or Liability that is not based on observable market data (unobservable inputs).

Valuation process: For level 3 financial instruments, the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

The carrying amounts of trade receivables, trade payables, bank deposits with more than 12 months maturity, capital creditors and Cash and Cash Equivalents are considered to be the same as their fair values.

The fair values for loans, security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

29. There is no amount due and outstanding to be credited to the Investor Education and Protection Fund as at 31/03/2020 and 31/03/2019.
30. The Company requested its debtors and creditors to confirm the balances at the year-end in respect of trade payables, trade receivables, advances and loans directly to the Statutory Auditors.
31. The Company has made the following arrangement with the Banks for availing both Fund based and Non-fund-based limits from time to time.

(₹ in Lakhs)

S.No	Name of the Bank	Fund based	Limit	Utilized
1	IDBI	-	100.00	-
S.No	Name of the Bank	Non Fund Based	Limit	Utilized
1	IDBI	LC/BG	3,400.00	Nil
2	Indusind Bank	LC/BG/BC/MFC	20,000.00	3,567.98
3	Kotak Bank	LC/BG	10,000.00	7.19
4	Yes Bank	LC/BG	10,000.00	Nil
5	ICICI Bank	LC/BG/MFC	7,000.00	4,194.30
Total			50,500.00	7,769.47

The total ₹ 7,769.47 Lakhs consists of ₹ 133.87 Lakhs, ₹3441.30 Lakhs and ₹ 4,194.30 Lakhs towards LC, BG and MFC respectively.

LC: Letter of Credit, BG: Bank Guarantee, BC: Buyers Credit, MFC: Matching Forward Cover.

32. During the current year, Company has declared dividend at ₹1.33 per share for the Financial Year 2018-19 (Previous year ₹1.06 per Shares) and paid an amount of ₹9,971.92 Lakhs including dividend distribution tax (DDT) of ₹1,700.31 Lakhs.
33. M/s NMPT has deducted an amount of ₹589.26 Lakhs towards lease rent, premium, valuation and other charges at the time proceeds towards sale of Marshalling Yard measuring 47,500 sq mt for a consideration of ₹1,400 Lakhs. The Company has disputed the deductions made by NMPT and had preferred for arbitration through Permanent Machinery of Arbitrator under Cabinet Secretariat, Govt. of India. The arbitration award was pronounced in the month of February 2018 by allowing claim of ₹388.66 Lakhs towards refund of Lease Rent for the period 11/12/2014 to 27/03/2017 and an amount of ₹2.73 Lakhs towards excess deduction. M/s NMPT has preferred further appeal with regard to amount of ₹388.66 Lakhs in Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD). AMRCD decided the case on 08/01/2020 with an award of Rs 236.40 Lakhs along with 7% interest w.e.f. date of sales consideration received from M/s CONCOR till 31/12/2019 and refund of security deposit of Rs 12.61 Lakhs.

During the year M/s NMPT has released the payment of Rs 236.40 Lakhs along-with interest of Rs 47.01 Lakhs. Balance amount of Rs 66.65 Lakhs has been booked as expenses.

34. During the year certain items of income and expenditure pertaining to earlier years which do not have any materiality, has been considered as current year Income and expenditure and classified under respective head of accounts.
35. The company has elected to exercise the option available under Sec.115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the company recognized provision for current tax and re-measured its Deferred Tax Assets on the basis of the reduced rates as prescribed in the Act. Due to the opting of concessional tax structure, the company has foregone its MAT credit amounting to ₹374.01 lakhs.

36. The Company has made detailed assessment of impact of COVID-19 on its liquidity position for a period of at least one year from the Balance Sheet date, of the recoverability and carrying values of its assets comprising Property, Plant and Equipment, Intangible Assets, Trade Receivables, Inventory, Investments, Other Current and Non-Current Assets and ability to pay its liabilities as they become due and effectiveness of internal financial controls at the Balance Sheet date, and has concluded that there are no material impact or adjustment required in the Financial Statement.

Management believes that it has taken into account all the possible impact of known events arising from COVID-19 pandemic till the date of approval of its Financial Statements while preparing Financial Statements. Management is of the view that considering the nature of its business operations, existing customer and supplier relationship etc, impact on its business operations, if any, arising from COVID -19 pandemic is not expected to be significant. In spite of continued lock down and restrictions in working timing, during the month of April, May and June 2020 upto the date of approval of Financial Statements, the Company has managed to execute the sales orders for 0.469 MMT and the total production of Iron Ore Pellets stood at 0.438 MMT. As the situation is continuously evolving, the impact of COVID-19 pandemic may be different from that estimated as of the date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions.

Based on the assessment, the Management feels that there shall not be any material impact on Going Concern Assumption due to COVID 19 as on the Balance Sheet date and next 12 months thereafter.

37. KIOCL had extended Rs 18 Crores inter corporate loans to Hindustan Photo Films Mfg Company Ltd (HPF Ltd) during 1992-93. HPF Ltd has declared sick under Sick Industrial Companies (Special provisions) Act 1985 in January 1996. Provision towards 100% loan made in the books. M/s HPF has informed that official liquidator has been appointed. The company has lodged the claim to the official liquidator on 09/09/2019.

38. Related Party Disclosure: Key Management Personnel are:

Sri M.V. Subba Rao	: Chairman-cum-Managing Director
Sri Vidyananda. N	: Director (Production & Projects) up to 29/02/2020
Sri Swapan Kumar Gorai	: Director (Finance)
Sri T. Saminathan	: Director (Commercial)
Sri K.V. Bhaskara Reddy	: Director (Production and Projects) w.e.f 01/03/2020
Sri P. K. Mishra	: Company Secretary

As per the requirement of Ind AS 24 the total compensation paid to Key managerial personnel for the year 2019-20 are as follows:

(₹ in Lakhs)

S. No	Particulars	Sri M V Subba Rao	Sri N Vidyanand	Sri Swapan Kumar Gorai	Sri T Saminathan	Sri KV Bhaskar Reddy	Sri P K Mishra
1	Short-term employee benefits	53.34	61.84	47.04	46.83	3.28	17.44
2	Post-employment benefits	-	20.00	-	-	-	-
3	Other long-term benefits	-	15.78	-	-	-	-
4	Termination benefits	-	-	-	-	-	-
5	Share-based payment	-	-	-	-	-	-
	Total	53.34	97.62	47.04	46.83	3.28	17.44

39. Previous Year's figures have been regrouped/reclassified/re-casted wherever necessary to confirm to current year's presentation.
40. Figures in the Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, Statement of Changes in Equity and the Notes thereon have been rounded off to Rupees Thousands and expressed in Rupees in Lakhs.

Disclosures as required by Ind AS 19- Employee Benefits (Refer SI No. 18 (a) of Note 24)

	LONG TERM GRATUITY	
	31-Mar-20	31-Mar-19
DEFINED BENEFIT PLANS - GRATUITY		
I. PRINCIPAL ACTUARIAL ASSUMPTIONS [Expressed as weighted averages]		
Discount Rate	6.59%	7.43%
Salary escalation rate	11.00%	12.00%
Attrition rate	5.00%	5.00%
Expected rate of return on Plan Assets	6.59%	7.43%
Mortality rate during employment	Standard Indian Assured Lives (2006-08)	
II. CHANGES IN THE PRESENT VALUE OF THE OBLIGATION (PVO)		
PVO as at the beginning of the period	9550.15	11325.96
Interest Cost	598.33	806.76
Current service cost	357.78	329.19
Past service cost	-	-
Benefits paid	(941.65)	(935.60)
Actuarial loss/(gain) on obligation	171.01	(1976.16)
PVO as at the end of the period	9735.62	9550.15
III. CHANGES IN THE FAIR VALUE OF PLAN ASSETS		
Fair value of plan assets as at the beginning of the period	10397.75	5751.16
Expected return on plan assets	654.18	578.30
Contributions	-	5000.00
Benefits paid	(941.65)	(935.60)
Actuarial gain/(loss) on plan assets	(1.96)	3.89
Fair value of plan assets as at the end of the period	10108.32	10397.75
IV. ACTUAL RETURN ON PLAN ASSETS		
Expected return on plan assets	654.18	578.30
Actuarial gain (loss) on plan assets	(1.96)	3.89
Actual return on plan assets	652.22	582.19
V. AMOUNTS RECOGNISED IN THE BALANCE SHEET		
Present value of the obligation	9735.62	9550.15
Fair value of plan assets	10108.32	10397.75
Net Defined Benefit Liability recognized in the balance sheet	(372.70)	(847.60)
Non-Current	8281.58	8223.82
Current	1454.04	1326.33
VI. AMOUNT RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS:		
Current service cost	357.78	329.19
Past service cost	-	-
Net Interest on Net Defined Benefit Obligations	(55.85)	228.46
Amount recognized in the statement of profit and loss	301.93	557.65
VII. AMOUNT RECOGNIZED IN THE OTHER COMPREHENSIVE INCOME [OCI]		
Actuarial (gain)/loss on Plan Obligations	171.01	(1,976.16)
Actuarial gain/(loss) on plan assets	1.96	(3.89)
Amount recognized in OCI	172.97	(1,980.05)
VIII. MAJOR CATEGORIES OF PLAN ASSETS (AS PERCENTAGE OF TOTAL PLAN ASSETS)		
Funds managed by Insurer	100%	100%
IX ENTERPRISE'S BEST ESTIMATE OF CONTRIBUTION DURING NEXT YEAR	-	-

Notes : i) 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.

ii) The salary escalation rate is arrived at after taking into consideration the seniority in the promotion and other relevant factors, such as demand supply in employment market.

Type of Plan - Gratuity

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	31-Mar-20	31-Mar-19
A. Discount Rate + 50 BP	7.09%	7.93%
Defined Benefit Obligation [PVO]	9,512.56	9,324.18
B. Discount Rate - 50 BP	6.09%	6.93%
Defined Benefit Obligation [PVO]	9,969.11	9,767.64
C. Salary Escalation Rate +50 BP	11.50%	12.50%
Defined Benefit Obligation [PVO]	9,780.62	9,589.28
D. Salary Escalation Rate -50 BP	10.50%	11.50%
Defined Benefit Obligation [PVO]	9,686.45	9,488.60

The weighted average duration of the Defined Benefit Obligation is 8.83 years (2018-19 - 8.74 years). The expected maturity analysis of undiscounted pension, gratuity and post-employment medical benefits is as follows :

Particulars	(₹ in Lakhs)				
	< 1Year	Between 1-2 years	Between 2-5 years	> 5 years	Total
31 March 2020 Defined Benefit Obligation (Gratuity)	1,454.04	1,275.09	3,848.74	7,406.41	13,984.28
Total	1,454.04	1,275.09	3,848.74	7,406.41	13,984.28
31 March 2019 Defined Benefit Obligation (Gratuity)	1,361.72	1,432.36	3,737.13	4,292.21	10,823.42
Total	1,361.72	1,432.36	3,737.13	4,292.21	10,823.42

Risk Exposure : Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below :

Inflation Risks : In the post retirement plans ie, gratuity, the payment is not linked to inflation, so this is a less material risk.

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.

Segment Reporting for the Year ended 31st March 2020

(₹ in Lakhs)

Particulars	Pellets		Pig Iron		Consolidated Total	
	Figures as at the end of		Figures as at the end of		Figures as at the end of	
	Current Reporting Period	Previous Reporting Period	Current Reporting Period	Previous Reporting Period	Current Reporting Period	Previous Reporting Period
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019
REVENUE:						
External Sales (Net)	187,897.16	182,597.20	520.03	279.52	188,417.19	182,876.72
Other Operating Revenue	1,048.34	1,774.97	169.57	43.93	1,217.91	1,818.90
Total Revenue	188,945.50	184,372.17	689.60	323.45	189,635.10	184,695.62
RESULT:						
Segment result before exception	(3,394.64)	7,581.78	(1,899.22)	(1,789.45)	(5,293.86)	5,792.33
Unallocated Income less expenses						
(a) Interest Income					10,314.07	11,164.67
(b) Short Term capital Gain - Mutual Funds					608.47	527.30
(c) Contribution from Service Contracts (Net of expenses)						
- O&M - NMDC					667.17	927.88
- OMCL -Kaliapani					71.80	
Profit before tax					6,367.64	18,412.18
Less: Income Tax					2,377.12	4,357.88
Earlier years (Net)					112.12	
Deferred Tax					(469.25)	2,868.44
Net Profit After Tax					4,347.65	11,185.87
Other Comprehensive Income					(20.66)	1,089.64
Total Comprehensive Income					4,326.99	12,275.50
OTHER INFORMATION:						
Segment Assets	56,893.28	50,032.24	8,245.77	8,851.03	65,139.05	58,883.27
Unallocated Assets	-	-	-	-	173,031.57	173,395.32
Total Assets					238,170.62	232,278.59
Segment Liabilities	32,502.63	16,121.64	1,881.72	1,703.04	34,384.35	17,824.68
Unallocated Liabilities	-	-	-	-	12,193.45	15,058.07
Total liabilities					46,577.80	32,882.75
Capital Expenditure	306.59	1,188.72	139.46	604.42	446.05	1,793.14
Depreciation and Amortisation	2,081.36	1,276.31	667.72	650.52	2,749.08	1,926.82
Non-cash expenses other than Depreciation	822.93	288.04	(2.73)	80.56	820.20	368.60

1. The Company is domiciled in India. Segment Revenue by Location of Customer is shown in the table below:-

Particulars	2019-20	2018-19
External Sales (Gross)		
Domestic	31,004.16	58,178.84
Overseas	157,413.03	124,697.88
Total	188,417.19	182,876.72

2. Revenue of approximately ₹ 158,644.84 Lakhs (Previous Year ₹ 126,508.17 Lakhs) are derived from few external customers attributed to Pellet Segment who are individually contributing 10% of the Total Revenue.

3. Un-allocated Assets and Liabilities comprise of those Assets and Liabilities which cannot be allocated to the segment.

For and on behalf of Board of Directors

M V Subba Rao
Chairman-cum-Managing Director

S K Gorai
Director (Finance)

as per our report of even date
for M/s Anand & Ponnappan
Chartered Accountants
(FRN:000111S)

Place: Bengaluru
Date : 25/06/2020

P K Mishra
Company Secretary

(V. Mohan)
Partner
MRN:015809

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.com

NOTICE IS HEREBY GIVEN THAT THE FORTY-FOURTH ANNUAL GENERAL MEETING (“AGM”) OF THE MEMBERS OF KIOCL LIMITED (CIN: L13100KA1976GOI002974) will be held on Tuesday, the September 29, 2020 at 12:00 Noon through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following businesses(s):

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2020 and the Profit and Loss Account for the Financial Year ended on that date together with the Reports of the Board of Directors and the Auditors thereon and Comments of the Comptroller and Auditor General of India.
2. To declare Final Dividend @ ₹ 0.70 per Equity Share for the year ended March 31, 2020.
3. To appoint a Director in place of Sri T. Srinivas (DIN: 07238361), who retires by rotation at this AGM and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Sri S. K. Gorai (DIN: 07223221), who retires by rotation at this AGM and being eligible, offers himself for re-appointment.
5. 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 2020-21.”

SPECIAL BUSINESS

6. Appointment of Sri Nirmalendu Mohapatra as an Independent Director

To consider and if thought fit, to pass, with or without modification, the following Resolution, as an Ordinary Resolution:

“**RESOLVED THAT**, pursuant to terms and conditions as determined by the Government of India vide Order F. No. 1/10/2015-BLA (Vol-IV) dated 21/10/2019 and pursuant to the provisions of Companies Act, 2013 read with Listing Regulations and other applicable laws, the consent of the members be and is hereby accorded for continuation of appointment of Sri Nirmalendu Mohapatra (DIN: 07352648) as an Independent Director of the Company, for a period of three years from the date of his appointment or until further orders whichever is earlier, not liable to retire by rotation.”

7. Appointment of Sri Ranjit Sreenivas as an Independent Director

To consider and if thought fit, to pass, with or without modification, the following Resolution, as an Ordinary Resolution:

“**RESOLVED THAT**, pursuant to terms and conditions as determined by the Government of India vide Order F. No. 1/10/2015-BLA (Vol-IV) dated 21/10/2019 and pursuant to the provisions of Companies Act, 2013 read with Listing Regulations and other applicable laws, the consent of the members be and is hereby accorded for continuation of appointment of Sri Ranjit Sreenivas (DIN: 08539909) as an Independent Director of the Company, for a period of three years from the date of his appointment or until further orders whichever is earlier, not liable to retire by rotation.”

8. Appointment of Sri G. Ramasamy as an Independent Director

To consider and if thought fit, to pass, with or without modification, the following Resolution, as an Ordinary Resolution:

“**RESOLVED THAT**, pursuant to terms and conditions as determined by the Government of India vide Order F. No. 1/10/2015-BLA (Vol-IV) dated 22/11/2019 and pursuant to the provisions of Companies Act, 2013 read with Listing Regulations and other applicable laws, the consent of the members be and is hereby accorded for continuation of appointment of Sri G. Ramasamy (DIN:08632590) as an Independent Director of the Company w.e.f. 07/12/2019, for a period of three years from the date of his appointment order or until further orders whichever is earlier, not liable to retire by rotation.”

9. Appointment of Sri K. V. Bhaskara Reddy as Director (Production & Projects)

To consider and if thought fit, to pass, with or without modification, the following Resolution, as an Ordinary Resolution:

“RESOLVED THAT pursuant to terms and conditions as determined by the Government of India vide Order F.No.5/2/2018-BLA dated 07/11/2019 and pursuant to the provisions of Companies Act, 2013 read with Listing Regulations and other applicable laws, the consent of the members be and is hereby accorded for continuation of appointment of Sri K. V. Bhaskara Reddy (DIN: 08672764) as Director (Production & Projects) from the date of his assumption of charge of the post i.e. 01/03/2020 till the date of his superannuation i.e. 31/01/2023 or until further orders, whichever earlier, liable to retire by rotation.”

10. Appointment of Sri Vijoy Kumar Singh as Govt. Nominee Director

To consider and if thought fit, to pass, with or without modification, the following Resolution, as an Ordinary Resolution:

“RESOLVED THAT pursuant to terms and conditions as determined by the Government of India vide Order F.No.1/16/2015-BLA dated 17/03/2020 and pursuant to the provisions of Companies Act, 2013 read with Listing Regulations and other applicable laws, the consent of the members be and is hereby accorded for continuation of appointment of Sri Vijoy Kumar Singh (DIN: 00592638) as Govt. Nominee Director of the Company, on coterminous basis or until further orders, whichever is earlier, liable to retire by rotation.”

11. Ratification of Remuneration of 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. R. M. Bansal & Co., Cost Accountants appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Pellet Plant Unit of Company for the Financial Year 2020-21, the remuneration of ₹ 50,000/- (Rupees fifty thousand Only) plus taxes as applicable and reimbursement of Actual travel and other out of pocket expenses to be paid to the Cost Auditors of the Company for Financial Year 2020-21 as approved by the Board of Directors of the Company, be and is hereby ratified and confirmed.”

RESOLVED FURTHER THAT the 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.

12. Approval to deliver document through a particular mode as may be sought by the member

To consider and if thought fit, to pass, with or without modification(s), the following Resolution(s) as a Special Resolution:

“RESOLVED THAT pursuant to Section 20 of the Companies Act, 2013 and the Rules made thereunder (hereinafter referred to as ‘the Act’), consent of the Company be and is hereby accorded to the Board of Directors of the Company to serve document(s) on Member(s) of the Company by post or by registered post or by speed post or by courier or by delivering at their address, or by such electronic or other mode prescribed under the Act and desired by Member(s), from time to time.

RESOLVED FURTHER THAT upon request of Member(s) for delivery of any document(s) through a particular mode, the Company do serve the same to the Member(s) through that particular mode and/ or charge such fees which shall not be more than the amount charged to the Company by the Department of Post or the Service Provider(s) including related handling charges, if any, to deliver the documents in that particular mode.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts and take all such steps as may be deemed necessary, proper or expedient to give effect to this Resolution(s).”

By Order of the Board of Directors
KIOCL Limited,

Sd/-
(P. K. Mishra)
Company Secretary

Place: Bengaluru

Dated: 10/08/2020

NOTES:

1. In view of the continuing COVID-19 Pandemic, the Ministry of Corporate Affairs (“MCA”) vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) and SEBI vide its circular dated May 12, 2020 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 MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. The relevant details, pursuant to Regulations 26(4) and 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 re-appointment at this AGM is annexed.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the 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. 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 the AGM and hence the Proxy Form and Attendance Slip is 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 CA Ananth Prasad B R of M/s Guru and Jana, Practicing Chartered Accountants as the Scrutinizer for conducting the remote e-voting and the e-voting process 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 ananthprasad@gurujana.com, shariff@gurujana.com with a copy marked to helpdesk.evoting@cdslindia.com (CDSL).
6. The Company has fixed 22/09/2020 as the ‘Record Date’ for determining entitlement of members to final dividend for the financial year ended March 31, 2020, if approved at the AGM.
7. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company (in case of shares held in physical mode) and depositories (in case of shares held in demat mode). A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by sending an email to purnachandra.jena@kioclltd.com by 05:00 P.M. IST on 22/09/2020. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to purnachandra.jena@kioclltd.com. The aforesaid declarations and documents need to be submitted by the shareholders by 05:00 P.M. IST on 22/09/2020.
Mutual Funds registered under Section 10(23D) of Income Tax Act, 1961 require to send the copy of Registration Certificate to avail the benefit of non-deduction of tax at source. The Copy of Registration Certificate shall be send on email to purnachandra.jena@kioclltd.com by 05:00 P.M. IST on 22/09/2020.
8. 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, except in case of request received for transmission or transposition of securities. 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.
9. 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.
10. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Registrar and Share Transfer Agent of the Company in case the shares are held by them in physical form.

11. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to KIOCL in case the shares are held in physical form.
12. Members holding shares in physical form, in more than one folio are requested to send to the Company, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
13. 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.
14. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 23/09/2020 through email on cs@kioclltd.com. The same will be replied by the Company suitably.
15. 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.com 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 send through email to the Concerned shareholder.
16. 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.
17. In pursuance to provisions of Section 152(6)(a) of the Companies Act, 2013 Sri T. Srinivas (DIN: 07238361), Official Part-time Govt. Nominee Director and Sri S. K. Gorai (DIN: 07223221), Director (Finance) retire by rotation and being eligible, offers 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.
18. 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 2020-21 as may be deemed fit by the Board.
19. Members are requested to note that, dividends if not claimed 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 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.
20. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 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 2019-20 will also be available on the Company's website www.kioclltd.com, 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.
21. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
22. 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 the Circulars issued by the Ministry of Corporate Affairs 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. 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 venue voting system on the date of the AGM will be provided by CDSL. Further, in view of the massive outbreak of the COVID-19 Pandemic, physical attendance of the Members to the AGM venue is not required

and (AGM) shall be held through video conferencing (VC) or other audio-visual means (OAVM) only. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the members such as the President of India or the Governor of any State/ U.T. or the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Members can join the 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 AGM through VC/OAVM will be made available for 1000 members on first come first serve 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 AGM without restriction on account of first come first serve basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- 5. Process for those shareholders whose email ids are not registered for obtaining login ID credentials for e-voting on the Resolutions proposed in this Notice of AGM:**
 - a) 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 **irg@integratedindia.in**.
 - b) For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to **irg@integratedindia.in**.

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE VOTING ARE AS UNDER:

- (i) The voting period begins on 26/09/2020 at 09:00 a.m. and ends on 28/09/2020 at 05:00 p.m. 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 22/09/2020 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) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on “Shareholders” module.
- (v) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first-time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
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. <ul style="list-style-type: none"> 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 as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the Resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you “CONFIRM” your vote on the Resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) 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.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app m-Voting. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ON THE DAY OF THE AGM ON e-VOTING SYSTEM ARE AS UNDER: -

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those Members, who will be present in the AGM 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 AGM.
3. If any Votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the Meeting through VC/OAVM facility , then the votes cast by such members shall be considered invalid as the facility of e-voting during the Meeting is available only to the members participating in the Meeting.
4. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Meeting.
4. 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.
5. 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 at least **5 days prior to Meeting** mentioning their name, demat account number/folio number, email id, mobile number at cs@kioclltd.com.

6. Shareholders who do not wish to express their views during the AGM but have queries, may send their queries in advance at least **5 days prior to Meeting** mentioning their name demat account number/folio number, email id, mobile number at cs@kioclltd.com. The same will be replied by the company suitably via email only.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting.

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian 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 should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- 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 to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote shall be send via email to the, Scrutinizer at ananthprasad@gurujana.com, shariff@gurujana.com and Company at cs@kioclltd.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (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 1800225533.

OTHER INSTRUCTIONS

- a) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing.
- b) The result declared along with the Scrutinizer’s Report shall be placed on the Company’s website at www.kioclltd.com and on the website of CDSL www.evotingindia.com immediately. The Company shall simultaneously forward the results to NSE, BSE and MSEI, where the shares of the Company are listed.

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE AGM

(Pursuant to Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Brief Resume of the Directors		
Name	Sri T. Srinivas (DIN:07238361)	Sri S. K. Gorai (DIN :07223221)
Date of Birth & Age	01/03/1962 and 58 years	13/01/1963 and 57 years
Date of Appointment	07/09/2015	11/11/2016
Qualification	1. M. Phil from Jawaharlal Nehru University, Delhi 2.M.A from Jawaharlal Nehru University, Delhi 3.BA from Kakitya University, Warangal	1. M. Com from Calcutta University 2. CA from ICAI 3. PGDBM from Management Development Institute, Gurgaon
Nature of expertise in specific functional areas	Sri T. Srinivas is holding the post of Joint Secretary in Ministry of Steel, Govt. of India. He is from Central Secretariat Service (Direct Recruit) from Civil Service Examination, 1987 batch. Sri Srinivas has done M.A, M.Phil. (JNU, New Delhi), M.D.M. (Masters in Development Management) AIM, Manila, Philippines.	Sri S. K. Gorai has 32 years of experience in CPSE / Private / MNC Companies. He has multi-functional exposure in Finance & Accounts, Human Resource, Information Technology, Law and Board affairs. He has expertise in Project Appraisal, Project Financing, Cost Estimation & Project Controlling, Fund raising & management and Taxation.
Disclosure of relationships between Directors inter-se	There exists no relationship between Directors inter-se	There exists no relationship between Directors inter-se
Directorship held in other listed entities	MOIL Limited	NIL
Membership/ Chairmanship of Committees of the Board	NIL	Member of CSR, Risk Management and Investment, Project Appraisal & Monitoring Committee of the Company
No. of Equity shares held in KIOCL Limited	NIL	NIL

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 Nos. 6, 7, 8, 9, 10, 11 and 12 of the accompanying Notice:

Item No. 6: - Appointment of Sri Nirmalendu Mohapatra (DIN 07352648) as Independent Director of the Company, not liable to retire by rotation

Sri Nirmalendu Mohapatra (DIN 07352648) aged 63 years was appointed as an Additional Director designated as an Independent Director of the Company w.e.f. October 21, 2019. Having so appointed Sri Nirmalendu Mohapatra holds office till the date of ensuing Annual General Meeting by virtue of Section 160 of the Companies Act, 2013. The Company is proposing the candidature of Sri Nirmalendu Mohapatra as an Independent Director of the Company, not liable to retire by rotation.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company is, in any way, concerned or interested, financially or otherwise, in this Resolution.

The Board of Directors recommends the Ordinary Resolution for approval of the shareholders.

A brief profile of Sri Nirmalendu Mohapatra in accordance with the Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below:

Brief Resume of the Director	
Name	Sri Nirmalendu Mohapatra (DIN 07352648)
Date of Birth & Age	25/06/1957 & 63 years
Date of Appointment	21/10/2019
Qualifications	B.A. (Hons.) from Utkal University, M.A. from University of Delhi, Diploma in Social Works from IISWBM (Kolkata), PGDM from AIMA (New Delhi), LL.B. from Pandit Ravishankar University and Ph.D. from Pandit Ravishankar University.
Nature of expertise in specific functional areas	Sri Mohapatra is a HR professional with three & a half decades of industry experience culminating as a full time Director in the Board of the largest steel organization of the country. He spent his career in steel industry and rose to head HR successively in Bhilai (Chhattisgarh), Bokaro (Jharkhand) and IISCO Burnpur (WB). Apart from strategic formulation of HR policies, he is skilled especially in work force management, HR in new projects and IT applications in HR. he has published two books- "Modernization of HR Traditions" and "Alphabets and the Steel City".
Disclosure of relationships between Directors inter-se	There exists no relationship between Directors inter-se
Directorship held in other listed entities	NIL
Membership/Chairmanship of Committees of the Board	Sri Nirmalendu Mohapatra is Chairman of CSR and Nomination and Remuneration Committee.
No. of Equity shares held in KIOCL Limited	NIL

Item No. 7: - Appointment of Sri Ranjit Sreenivas (DIN: 08539909) as an Independent Director of the Company, not liable to retire by rotation

Sri Ranjit Sreenivas (DIN: 08539909) aged 44 years was appointed as an Additional Director designated as an Independent Director of the Company w.e.f. October 21, 2019. Having so appointed Sri Ranjit Sreenivas holds office till the date of ensuing Annual General Meeting by virtue of Section 160 of the Companies Act, 2013. The Company is proposing the candidature of Sri Ranjit Sreenivas as an Independent Director of the Company, not liable to retire by rotation.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company is, in any way, concerned or interested, financially or otherwise, in this Resolution.

The Board of Directors recommends the Ordinary Resolution for approval of the shareholders.

A brief profile of Sri Ranjit Sreenivas in accordance with the Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below:

Brief Resume of the Director	
Name	Sri Ranjit Sreenivas (DIN: 08539909)
Date of Birth & Age	07/03/1976 & 44 years
Date of Appointment	21/10/2019
Qualifications	B.Com. from Kerala University and LL.B. from Bharathi Vidyapeeth, Pune
Nature of expertise in specific functional areas	Sri Ranjit Sreenivas is a practicing lawyer before various court in Kerala and Kerala High Court
Disclosure of relationships between Directors inter-se	There exists no relationship between Directors inter-se
Directorship held in other listed entities	NIL
Membership/Chairmanship of Committees of the Board	Sri Ranjit Sreenivas is the Chairman of Risk Management Committee and member of Audit and Stakeholders Relationship Committee.
No. of Equity shares held in KIOCL Limited	NIL

Item No. 8: - Appointment of Sri G. Ramasamy (DIN 08632590) as an Independent Director of the Company, not liable to retire by rotation

Sri G. Ramasamy (DIN 08632590) aged 48 years appointed as the Additional Director designated as an Independent Director of the Company w.e.f. December 7, 2019 vide order dated November 22, 2019. Having so appointed Sri G. Ramasamy holds office till the date of ensuing Annual General Meeting by virtue of Section 160 of the Companies Act, 2013. The Company is proposing the candidature of Sri G. Ramasamy as an Independent Director of the Company, not liable to retire by rotation.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company is, in any way, concerned or interested, financially or otherwise, in this Resolution. The Board of Directors recommends the Ordinary Resolution for approval of the shareholders.

A brief profile of Sri G. Ramasamy in accordance with the Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below:

Brief Resume of the Director	
Name	Sri G. Ramasamy (DIN 08632590)
Date of Birth & Age	01/06/1972 & 48 years
Date of Appointment	07/12/2019
Qualifications	Graduate in Law from Sri Venkateswara University
Nature of expertise in specific functional areas	Sri Ramasamy is an advocate by profession and practicing in Madras High Court. He has wide experience in legal advising for different Private Sector Organizations. He is also a social reformer and has helped in the development of the rural society in different districts of Tamil Nadu and other southern states.
Disclosure of relationships between Directors inter-se	There exists no relationship between Directors inter-se
Directorship held in other listed entities	NIL
Membership/Chairmanship of Committees of the Board	Sri G. Ramasamy is a Chairman of Stakeholders Relationship Committee and Member of Audit and Nomination & Remuneration Committee.
No. of Equity shares held in KIOCL Limited	NIL

Item No. 9: - Appointment of Sri K.V. Bhaskara Reddy (DIN 08672764) as a Director of the Company, liable to retire by rotation

Sri K.V. Bhaskara Reddy (DIN 08672764) aged 57 years appointed as an Additional Director in the category of Director (Production and Project) of the Company w.e.f. March 1, 2020. Having so appointed Sri K.V. Bhaskara Reddy holds office till the date of ensuing Annual General Meeting by virtue of Section 160 of the Companies Act, 2013. Pursuant to Section 160 of the Companies Act, 2013 the Nomination and Remuneration Committee of the Board has recommended the candidature of Sri K.V. Bhaskara Reddy for the office of Director (Production and Projects) of the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company is, in any way, concerned or interested, financially or otherwise, in this Resolution.

The Board of Directors recommends the Ordinary Resolution for approval of the shareholders.

A brief profile of Sri K.V. Bhaskara Reddy in accordance with the Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given below:

Brief Resume of the Director	
Name	Sri K.V. Bhaskara Reddy (DIN 08672764)
Date of Birth & Age	12/01/1963 & 57 years
Date of Appointment	01/03/2020
Qualifications	Graduate in Mining Engineering from Kothagudem School of Mines, Osmania University in the year 1985 with First Class Mines Manager Certificate (R) and possess Executive Management Programme (MPT) from IIM, Bengaluru

Nature of expertise in specific functional areas	Sri K.V. Bhaskara Reddy has credentials of working in the areas of mine planning, mining operation, sustainable development and mine safety with all statutory compliances. His contribution towards mines production in fulfilling Company's objectives has been immense, including implementation of 'Hotshift' scheme for improving productivity at Kudremukh mines during its operation. He has been instrumental in identifying Devadari iron ore block in Ballary Dist. Currently Sri Reddy is working for Devadari mine project to commence the mining activities. He is in-charge of Mineral Exploration, Company's new business vertical.
Disclosure of relationships between Directors inter-se	There exists no relationship between Directors inter-se
Directorship held in other listed entities	NIL
Membership/ Chairmanship of Committees of the Board	Sri K.V. Bhaskara Reddy is member in the following Committees: 1. CSR Committee 2. Stakeholder Relationship Committee 3. Risk Management Committee 4. Investment, Project Appraisal & Monitoring Committee
No. of Equity shares held in KIOCL Limited	200

Item No. 10: - Appointment of Sri Vijoy Kumar Singh (DIN -00592638) as Govt. Nominee Director of the Company, liable to retire by rotation

Pursuant to the order issued by the Ministry of Steel, Government of India vide order F.No. 1/16/2015-BLA dated 17/03/2020, Sri Vijoy Kumar Singh (DIN 00592638) was appointed as an additional Director designated as Government Nominee Director whose tenure is co-terminus with his post in Ministry of Steel, Govt. of India.

Having so appointed Sri Vijoy Kumar Singh shall hold office till the date of ensuing AGM by virtue of Section 160 of the Companies Act, 2013 and is eligible for re-appointment. In terms of Section 160 read with Section 161 of the Companies Act, 2013, the Nomination and Remuneration Committee of the Board has recommended the candidature of Sri Vijoy Kumar Singh for the office of Govt. Nominee Director of the Company.

Save and Except the above, none of the other Directors/Key Managerial Personnel of the Company is, in any way, concerned or interested, financially or otherwise, in this Resolution.

The Board of Directors recommends the Ordinary Resolution for approval of the shareholders.

A brief profile of Sri Vijoy Kumar Singh in accordance with the Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as given below:

Brief Resume of the Director	
Name	Sri Vijoy Kumar Singh (DIN: 00592638)
Date of Birth & Age	15/11/1964 and 55 years
Date of Appointment	17/03/2020
Qualifications	B. Tech. in Mechanical Engineering from Bihar University and Masters in Business Administration from University of Birmingham
Nature of expertise in Specific functional areas	Sri Vijoy Kumar is an IAS Officer of 1990 batch of the Punjab Cadre. Currently, he is holding the post of Additional Secretary & Financial Advisor, Ministry of Textiles and holds additional charge of Financial Adviser of Ministry of Steel.
Disclosure of relationships between Directors inter-se	There exists no relationship between Directors inter-se
Directorship held in other listed entities	1. Steel Authority of India Limited 2. NMDC Limited
Membership/ Chairmanship of Committees of the Board	NIL
No. of Equity shares held in KIOCL Limited	NIL

Item No. 11:- Ratification of Remuneration of the Cost Auditor.

The Board of Directors of the Company, on the recommendation of the Audit Committee, has approved the appointment of M/s R. M. Bansal & Co., Cost Accountants to conduct the audit of the cost records of the Pellet Plant Unit of Company for the Financial Year 2020-21, at a remuneration of ₹ 50,000/- (Rupees fifty thousand Only) plus taxes as applicable and reimbursement at actual travels and other 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 reenactment 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. 11 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year 2020-21.

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.

Item No. 12:- Approval to deliver document through a particular mode as may be sought by the member

Pursuant to the provisions of Section 20 of the Companies Act, 2013 ('the Act') and the Rules made thereunder, a document may be served on a Member of the Company by sending the same to him by post or by registered post or by speed post or by courier or by delivering it at his office or address, or by such electronic or other mode as may be prescribed. However, proviso to sub-section (2) of Section 20 of the Act states that a Member may request for delivery of any document through a particular mode, for which he/she shall pay such fees as may be determined by the company at its Annual General Meeting ('AGM'). Further, listed Companies are required to send financial statements:

- (a) by electronic mode to such members whose shareholding is in Demat form and whose E-mail IDs are registered with Depository for communication purposes;
- (b) where Shareholding is held otherwise than by Demat form, to such members who have positively consented in writing for receiving by electronic mode; and
- (c) by dispatch of physical copies through any recognized mode of delivery as specified under section 20 of the Act, in all other cases.

Accordingly, consent of the members is sought for passing the Special Resolution as set out in Item No. 13 of the Notice relating to serving the documents including financial statements to the members of the Company in a requested mode.

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 Special Resolution for approval by the shareholders.

By Order of the Board of Directors
KIOCL Limited,

Sd/-
(P K Mishra)
Company Secretary

Place: Bengaluru

Dated: 10/08/2020

The Resolutions listed for 44th Annual General Meeting are indicated below: -

Sl. No.	Resolution
ORDINARY BUSINESS	
1.	Adoption of Financial Statements for the year ended 31 st March 2020 and the Reports of the Board of Directors and the Auditors thereon and Comments of the C&AG.
2.	To declare Final Dividend @ ₹ 0.70 per Equity Share for the year ended 31 st March 2020
3.	Reappointment of Sri T. Srinivas (DIN: 07238361), as a Director who retires by rotation.
4.	Reappointment of Sri S.K. Gorai (DIN: 07223221), as a Director who retires by rotation.
5.	Fixing the remuneration of Statutory Auditors
SPECIAL BUSINESS	
6.	Appointment of Sri Nirmalendu Mohapatra (DIN: 07352648), as an Independent Director
7.	Appointment of Sri Ranjit Sreenivas (DIN: 08539909), as an Independent Director
8.	Appointment of Sri G. Ramasamy (DIN: 08632590), as an Independent Director
9.	Appointment of Sri K.V. Bhaskara Reddy as a Director (Production & Projects) (DIN: 08672764), liable to retire by rotation
10.	Appointment of Sri Vijoy Kumar Singh (DIN: 00592638) as a Govt. Nominee Director, liable to retire by rotation.
11.	Ratification of Remuneration of the Cost Auditor.
12.	Approval to deliver document through a particular mode as may be sought by the member

KIOCL OFFICES

REGISTERED OFFICE

KIOCL Limited

II Block, Koramangala
Bengaluru - 560 034
Tel No.: 080 25531461-70, 25535937-40
Fax No.: 080 25532153, 25535941,
25630984
E-mail: cs@kioclltd.com

VISAKHAPATNAM OFFICE

KIOCL Limited

Door No. 15-15-13/7, Flat No.: S-2
Satya Sai Nivas, Adjacent to Hotel Supreme,
Beach Road, Visakhapatnam-530 002
Andra Pradesh
Telephone/Fax No.: 0891-2739530
E-mail: kioclviz@gmail.com

MANGALURU OFFICE

KIOCL Limited

New Mangaluru Port, Panambur
Mangaluru-575 010. Karnataka
Telephone No.: 0824-2403393/2408124
Fax No.: 0824-2407422
E-mail: mgmp@kioclltd.com

KUDREMUKH OFFICE

KIOCL Limited

Kudremukh, Jamble Post - 577 142
Chickmagalur District, Karnataka
Telephone No.: 08263 254148
Fax No.: 08263 254117
E-mail: kgmk@kioclltd.com

BLAST FURNACE UNIT

KIOCL Limited

Plot No. 456 & 457, Baikampady Industrial Area,
Panambur, Mangaluru - 575 010
Telephone No.: 0824-2408911
Fax Nos: 0824-2409366, 2408944
E-mail: mgmp@kioclltd.com

BACHELI OFFICE

KIOCL Limited

Qtr. M. Type 111/FF/06
Near NMDC Bachel Guest House
Bachel - 494 553
Dantewada District, Chhattisgarh

NEW DELHI OFFICE

KIOCL Limited

Himalaya House, 9th Floor, No. 23
Kasturba Gandhi Marg,
New Delhi - 110 001
Telephone No.: 011 23315665, 23315686
Fax No.: 011 23721696
E-mail: kiocln@kioclltd.com

KALIAPANI OFFICE

KIOCL Limited

D-24, OMC Township
Sukinda, South Kaliapani JK Road,
Jajpur Dt. Odisha - 755 028
E-mail: kioclcobplant@gmail.com

SANDUR OFFICE

KIOCL Limited

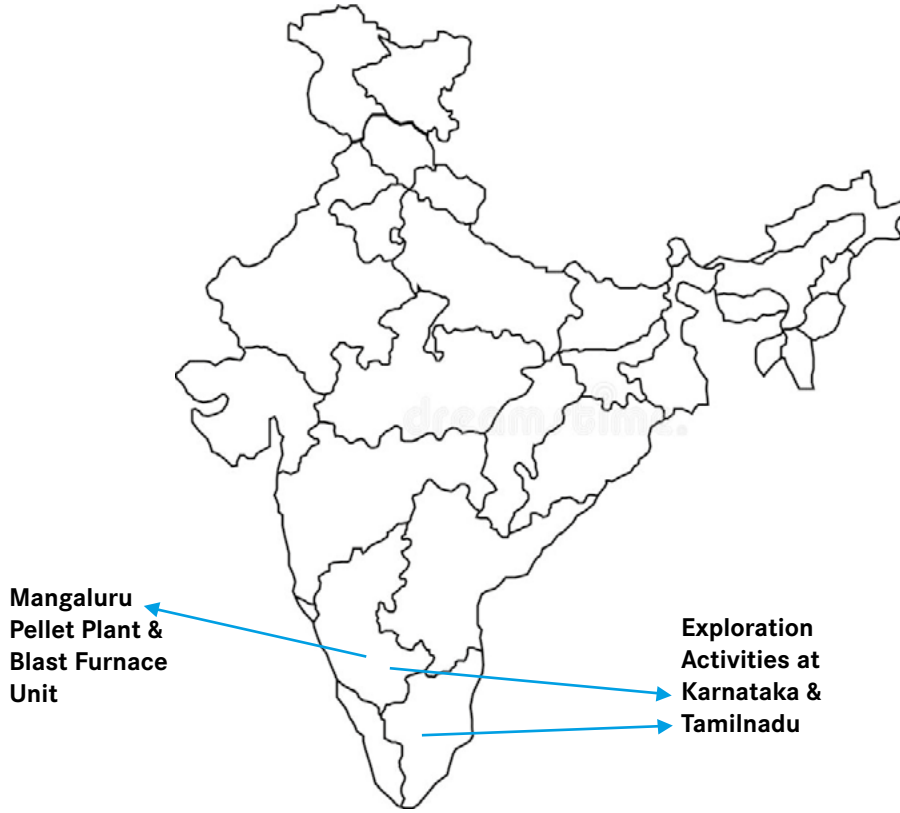
House No.163, Behind Yediyur General Store,
L. B. Colony, Court Road,
Sandur-583 119. Bellari (Dist)
E-mail: smed@kioclltd.com

BAGALAKOTE OFFICE

KIOCL Limited

Divisional Office, KSMCL,
Sector-63A, Nava Nagar,
Bagalkote,
Karnataka, PIN - 587 103
E-mail: bktmed@kioclltd.com

PLANT LOCATIONS



CLIENTELE- OVERSEAS AND DOMESTIC





School Children carried Awareness drive on 'Swachh Bharat Abhiyan' Koramangala, Bengaluru on 02/10/2019.

In order to create awareness on the symptoms of COVID-19 (coronavirus) and to prevent the spread of the virus, KIOCL undertook an awareness campaign for the vendors of Madivala Market at Bengaluru on 06/03/2020.



CMD & FD's flagged off the Run for Unity program at Corporate Office, Bengaluru on 31/10/2019.



**Shaping Lives
for a Better Tomorrow**



KIOCL Limited

(A Government of India Enterprise)
CIN:L13100KA1976GOI002974

📍 II Block, Koramangala, Bengaluru - 560034

📞 25531461 to 25531466 (6 lines)

🌐 kioclltd.in

**The Happy Faces & Progress of our
communities stand testimony...**