



ಕುವೆಂಪು ಅಮಿಟೆಡ್
(ಭಾರತ ಸರ್ಕಾರದ ಉದ್ಯಮ)

ನೋಂದಾಯಿತ ಕಾರ್ಯಾಲಯ :
ವಿನ್ಸೆ ವಿಭಾಗ, ಕೋರಮಂಗಲ
ಬೆಂಗಳೂರು - ೫೬೦ ೦೩೪.
ದೂರವಾಣಿ : ೦೮೦-೨೫೫೩೧೪೬೧ ರಿಂದ ೬೬
ಫ್ಯಾಕ್ಸ್ : ೦೮೦-೨೫೫೩೨೧೫೩-೫೯೪೧
ವೆಬ್ ಸೈಟ್ : www.kioclltd.in

के आई ओ सी एल लिमिटेड
(भारत सरकार का उद्यम)

पंजीकृत कार्यालय :
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कार्यालय : 080-25531461 - 66
फैक्स : 080-25532153-5941
वेबसाईट : www.kioclltd.in

KIOCL LIMITED
(A Government of India Enterprise)

Registered Office :
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Telephone : 080-25531461 - 66
Fax : 080-25532153-5941
Website : www.kioclltd.in
CIN : L13100KA1976GOI002974

No. S/BC/1 (18-5)/2020/337

June 25, 2020

National Stock Exchange of India Limited Scrip Code: KIOCL Through: NEAPS
BSE Limited Scrip Code: 540680, Scrip Name: KIOCL Through: BSE Listing Centre
Metropolitan Stock Exchange of India Limited Scrip Code: KIOCL Through: mylisting

Dear Sir/Madam,

Sub: Outcome of Board Meeting – Audited Financial Results & Final Dividend

With reference to above, we hereby inform that: -

- The Board of Directors at its Meeting held on today i.e. June 25, 2020 has approved *inter-alia* the Audited Financial Results alongwith the Auditors Report for the quarter and year ended March 31, 2020. Copy is annexed. [(Regulation 30(2) & 33(3)(c)(ii)]
- A declaration from Chief Financial Officer of the Company that Statutory Auditors have given the audit report with unmodified opinion for the Financial Year ended March 31, 2020 [(Regulation 33(3)(d)].
- The Board has recommended a Final Dividend @ Rs. 0.70/- per Equity Share of Rs. 10/- each to the Shareholders for the Financial Year ended March 31, 2020, subject to the approval of the Shareholders of the Company. The Company will inform in due course the date on which it will hold AGM for the year ended March 31, 2020 and the date on which dividend will be paid or warrants thereof will be dispatched to the Shareholders [(Regulation 30(2)].
- The Board has further extended the tenure of M/s. Manohar Chowdhary and Associates, the Internal Auditor of the Company, by one year for carrying out Internal Audit of the Company for the Financial Year 2020-21.

The Meeting of the Board commenced at 15:00 Hrs (IST) and concluded at 18:30 Hrs (IST)

This is for information and record please.

Thanking you,

Encl: as above

Yours faithfully,
For KIOCL Limited,

(P.K. Mishra)

Company Secretary & Compliance Officer

KIOCL LIMITED

(A GOVERNMENT OF INDIA ENTERPRISE)

CIN - L13100KA1976GOI002974

Regd. Office: II Block, Koramangala, Bangalore - 560 034

Tel. & Fax No.080-25531525, E-mail:cs@kioclltd.com, Website: www.kioclltd.in

Statement of Standalone Audited Financial Results for the Quarter and Year ended 31.03.2020

(Rs. in lakhs except EPS)

Particulars	3 Months ended	Preceding 3 months ended	Corresponding Three months ended in the previous year	Current Accounting year ended	Previous Accounting year ended
	31.03.2020 (Audited)	31.12.2019 (Un-Audited)	31.03.2019 (Audited)	31.03.2020 (Audited)	31.03.2019 (Audited)
I. Revenue					
1 Income from operations					
(a) Net Sales/ Income from Operations	49,204	47,717	62,903	1,92,547	1,87,226
(b) Other Operating Income	771	107	1,545	1,218	1,545
Income from Operations	49,975	47,824	64,448	1,93,765	1,88,771
Other Income	3,454	3,130	4,038	11,888	12,497
Total Revenue	53,429	50,954	68,486	2,05,653	2,01,268
II. Expenditure					
Cost of Materials Consumed	37,519	35,066	38,713	1,38,423	1,28,685
Purchases of Stock-in-Trade	-	338	-	350	-
Changes in Inventories - Pellet Feed & Finished Products	(4,169)	1,830	5,568	632	(4,031)
Consumable Stores Spares & Additives	2,642	1,825	2,344	8,253	8,807
Direct Cost towards Service Contracts	191	181	-	698	193
Power and Fuel	6,184	5,604	7,189	23,427	23,794
Employees Benefits Expense	4,712	3,754	3,230	16,940	16,821
Excise Duty on Sale of Finished Goods	-	-	-	-	-
Depreciation and Amortization Expense	685	734	405	2,749	1,927
Other Expenses	2,107	1,690	1,241	6,816	6,579
Finance Costs	286	226	-	997	80
Total Expenses	50,157	51,248	58,690	1,99,285	1,82,856
III. Profit/(Loss) before Exceptional Items (I-II)	3,272	(294)	9,796	6,368	18,412
IV. Exceptional Items	-	-	-	-	-
V. Profit/(Loss) before Tax (III-IV)	3,272	(294)	9,796	6,368	18,412
VI. Tax Expenses	628	72	5,313	2,020	7,226
VII. Profit/(Loss) after Tax (V-VI)	2,644	(366)	4,483	4,348	11,186
VIII. Other Comprehensive Income (Net of Tax)	(21)	-	1,090	(21)	1,090
IX. Total Comprehensive Income (VII+VIII)	2,623	(366)	5,573	4,327	12,276
X. Earnings per Equity Share (EPS)					
Equity Shares of par value Rs.10/- each					
Number of Shares for computing EPS	62,19,25,565	62,19,25,565	62,19,25,565	62,19,25,565	62,98,57,877
Basic & Diluted	0.43	(0.06)	0.72	0.70	1.78

Place: Bangalore
Date : 25/06/2020

By order of the Board
for KIOCL LIMITED


(S.K. GORAI)
DIRECTOR (FINANCE)
DIN: 07223221



Statement of Assets and Liabilities

Rs. in Lakhs

Particulars	Figures as at the end of 31-03-2020	Figures as at the end of 31-03-2019
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	17,618.22	20,042.47
Right of use assets	10,201.01	
Capital Work-in-progress	2,006.00	356.58
Other Intangible Assets	74.48	6.48
Intangible Assets Under Development	84.59	63.81
Financial Assets		
i) Loans	102.96	101.89
ii) Other Financial Assets	141.71	95.81
Other Non-Current Assets	227.32	542.47
Deferred Tax Assets (net)	227.00	
Total Non-Current Assets	30,683.29	21,209.51
Current Assets		
Inventories	25,684.48	30,886.63
Financial Assets		
i) Investment		4,230.89
ii) Trade Receivables	12,266.77	6,377.89
iii) Cash and Cash equivalents	42,980.09	51,519.44
iv) Bank Balances other than (ii) above	1,10,028.80	1,01,167.36
v) Loans	71.95	67.44
vi) Other Financial Assets	1,258.22	1,149.66
Current Income Tax Assets (net)	3,815.51	3,592.40
Other Current Assets	11,381.51	12,077.37
Total Current Assets	2,07,487.33	2,11,069.08
TOTAL ASSETS	2,38,170.62	2,32,278.59
EQUITY AND LIABILITIES		
Equity		
Share Capital	62,192.56	62,192.56
Other Equity	1,29,400.26	1,37,203.28
Total Equity	1,91,592.82	1,99,395.84
Liabilities		
Non-Current Liabilities		
Financial Liabilities		
i) Lease Liabilities	11,129.85	
ii) Other Financial Liabilities	64.25	71.71
Employee Benefit Obligation	9,106.73	8,540.11
Deferred Tax Liability (Net)		975.03
Total Non-current Liabilities	20,300.83	9,586.85
Current Liabilities		
Financial Liabilities		
i) Trade Payables	11,121.47	10,764.37
ii) Lease Liabilities	1,251.57	
iii) Other Financial Liabilities	8,815.85	8,638.67
Employee Benefit Obligation	690.88	604.12
Other Current Liabilities	4,397.20	3,288.74
Total Current Liabilities	26,276.97	23,295.90
TOTAL EQUITY AND LIABILITIES	2,38,170.62	2,32,278.59

Place: Bangalore
Date : 25/06/2020

By order of the Board
for KIOCL LIMITED

(S.K. GORAI)
DIRECTOR (FINANCE)
DIN: 07223221

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 Change	(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 Equivalent	(8,539.35)	18,055.57

Notes:

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

By order of the Board
for KIOCL LIMITED


(S.K. GORAI)
DIRECTOR(FINANCE)
DIN: 07223221

Place: Bangalore
Date: 25-06-2020


Segment wise Revenue, Results, Capital Employed for the quarter and year ended 31.03.2020

Particulars	3 Months	Preceding	Corresponding	Current	Previous
	ended	3 months	Three months	Accounting	Accounting
	31.03.2020	31.12.2019	ended in the previous year 31.03.2019	year ended 31.03.2020	year ended 31.03.2019
	(Audited)	(Un-Audited)	(Audited)	(Audited)	(Audited)
1 Segment Revenue					
a) Pellet Plant	48,063	46,835	61,683	1,87,897	1,82,597
b) Pig Iron Plant	87	350	133	520	280
c) Total	48,150	47,185	61,816	1,88,417	1,82,877
Less : Inter segment revenue	-	-	-	-	-
Add : Other Operating Revenue - O and M Contract-NMDC	(87)	432	880	2,504	3,993
Other Operating Revenue - O and M Contract-Kaliapani	280	79	91	686	91
Other Operating Revenue	1,632	127	1,661	2,158	1,810
Net Sales/Income from Operation	49,975	47,824	64,448	1,93,765	1,88,771
2 Segment Results					
a) Pellet Plant	556	(2,394)	6,342	(3,395)	7,582
b) Pig Iron Plant	(551)	(501)	(426)	(1,899)	(1,789)
c) Un allocable					
i) Interest Income from Fixed Deposits and Short Term Capital gain from Investment in Mutual Fund	2,601 92	2,945 4	3,049	10,314 608	11,165 527
ii) Contribution from Service Contract (Net of Expenses) - O&M NMDC & OMCL Kaliapani	573	(348)	303	739	927
Profit Before Tax	3,272	(294)	9,268	6,368	18,412
Less: Tax Expenses	628	72	5,313	2,020	7,226
Net Profit(+)/ Loss(-) for the peirod	2,644	(366)	3,955	4,348	11,186
3 Capital employed					
(Segment Assets - Segment Liabilities)					
a) Pellet Plant	24,390	27,423	33,910	24,390	33,910
b) Pig Iron Plant	6,364	6,700	7,148	6,364	7,148
c) Unallocable Corporate Assets less Liabilities	1,60,839	1,55,243	1,58,337	1,60,839	1,58,337
Total	1,91,593	1,89,366	1,99,395	1,91,593	1,99,395
4 Segment Assets					
Pellet Plant	56,893	57,030	50,032	56,893	50,032
Blast Furnace Plant	8,246	8,315	8,851	8,246	8,851
Un-allocable Assets	1,73,032	1,66,692	1,73,395	1,73,032	1,73,395
Total	2,38,171	2,32,037	2,32,278	2,38,171	2,32,278
5 Segment Liabilities					
Pellet Plant	32,503	29,607	16,122	32,503	16,122
Blast Furnace Plant	1,882	1,615	1,703	1,882	1,703
Un-allocable Liabilities	12,193	11,449	15,058	12,193	15,058
Total	46,578	42,671	32,883	46,578	32,883

- The Financial Results for the Quarter and year ended 31st March 2020 are in compliance with Ind AS and other Accounting Principles generally accepted in India.
- The above results have been reviewed by the Audit Committee and approved in the Meeting of the Board of Directors held on 25.06.2020
- Figures for the previous periods have been regrouped and/ or reclassified where ever necessary.
- Figures for the quarter ended March 31, 2020 and March 31, 2019 represent the difference between the audited figures in respect of full financial year and the published figures of nine months ended December 31, 2019.
- The Audited Accounts are subject to review by the Comptroller and Auditor General of India under Section 143(6) of the Companies Act,
- The Board of Directors has recommended Dividend @ 100% of PAT which comes to Rs 0.70 per share on Equity Shares of Rs.10 each. The Dividend is subject to approval of Shareholders in the Annual General Meeting.
- The management assessed that there shall not be any impact due to COVID 19 as on balance sheet date and next 12 months.
- 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 retained earnings, on the date of initial application.

Place : Bangalore
Date : 25/06/2020

By order of the Board
for KIOCL LIMITED


(S.K. GORAI)
DIRECTOR (FINANCE)
DIN: 07223221



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.



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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 Rs.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 Rs.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.

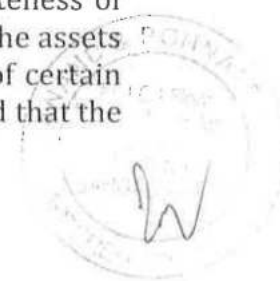
2. Property, Plant & Equipment and Intangible Assets

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 as 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.

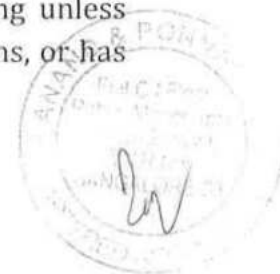
In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit 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.

Place: Bangalore
Date: 25.06.2020
UDIN : 20015809AAAAAG8703

For Anand & Ponnappan
Chartered Accountants
FRN 000111S


V. Mohan
Partner

MRN 015809



Appendix

Auditor's Responsibility for the Audit of the Financial Statements

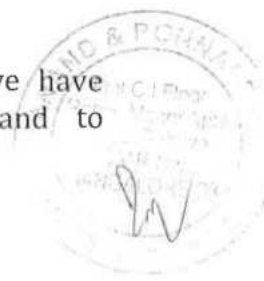
As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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**


**V Mohan
Partner
MRN 015809**

**Place: Bangalore
Date: 25.06.2020
UDIN : 20015809AAAAG8703**

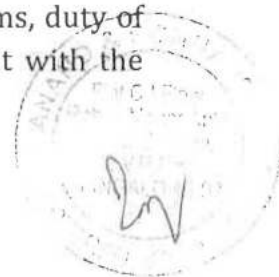


Annexure - B to the Auditors' Report

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:

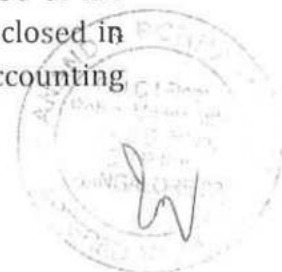
- i. In respect of the Company's fixed assets:
 - a. The Unit has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified 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.

Place: Bangalore
Date: 25.06.2020
UDIN : 20015809AAAAAG8703

For Anand & Ponnappan
Chartered Accountants
FRN 000111S


V. Mohan
Partner

MRN 015809



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 that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures 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.

Place: Bangalore

Date: 25.06.2020

UDIN : 20015803AAAAAG 8703

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


**V Mohan
Partner
MRN 015809**




KUDREMUKH

ಐಸೋಟ್ 9001, 14001 ಮತ್ತು
ಓಹೆಸ್‌ಎಸ್‌ಎಸ್‌ಎಸ್ 18001 ಸಂಸ್ಥೆ
ಆರ್‌ಐ‌ಇಸ್‌ಓ 9001, 14001 ಮತ್ತು
ಆರ್‌ಇಎಸ್‌ಎಸ್‌ಎಸ್ 18001 ಕಂಪನಿ
ISO 9001, 14001 &
OHSAS 18001 COMPANY

ಕೆಐಓಸಿಎಲ್ ಅಬಿಟೆಡ್

(ಭಾರತ ಸರ್ಕಾರದ ಉದ್ಯಮ)

ನೋಂದಾಯಿತ ಕಾರ್ಯಾಲಯ :
೨ನೇ ವಿಭಾಗ, ಕೋರಮಂಗಲ
ಬೆಂಗಳೂರು - ೫೬೦ ೦೩೪.

ದೂರವಾಣಿ : ೦೮೦-೨೫೫೩೧೪೬೧ ರಿಂದ ೬೬

ಫ್ಯಾಕ್ಸ್ : ೦೮೦-೨೫೫೩೨೧೫೩-೫೯೪೧

ವೆಬ್ ಸೈಟ್ : www.kiocltd.in

के आई ओ सी एल लिमिटेड

(भारत सरकार का उद्यम)

पंजीकृत कार्यालय :

II ब्लॉक, कोरमंगला,
बेंगलूर - 560 034.

कार्यालय : 080-25531461 - 66

फेक्स : 080-25532153-5941

वेबसाईट : www.kiocltd.in

KIOCL LIMITED

(A Government of India Enterprise)

Registered Office :

II Block, Koramangala,
Bengaluru - 560 034.

Telephone : 080-25531461 - 66

Fax : 080-25532153-5941

Website : www.kiocltd.in

CIN : L13100KA1976GOI002974

DECLARATION

In terms of Regulation 33(3) (d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CNID/56/2016 dated May 27, 2016, we hereby declare that M/s Anand & Ponnappan, Chartered Accountants, the Statutory Auditors of the Company have given the audit report with unmodified opinion on the financial results of the Company for the period ended on 31st March, 2020.

For KIOCL Limited


(S. K. Gorai)

Director (Finance) & CFO

DIN: - 07223221

Date: - 25/06/2020

Place: - Bengaluru