

45th ANNUAL REPORT

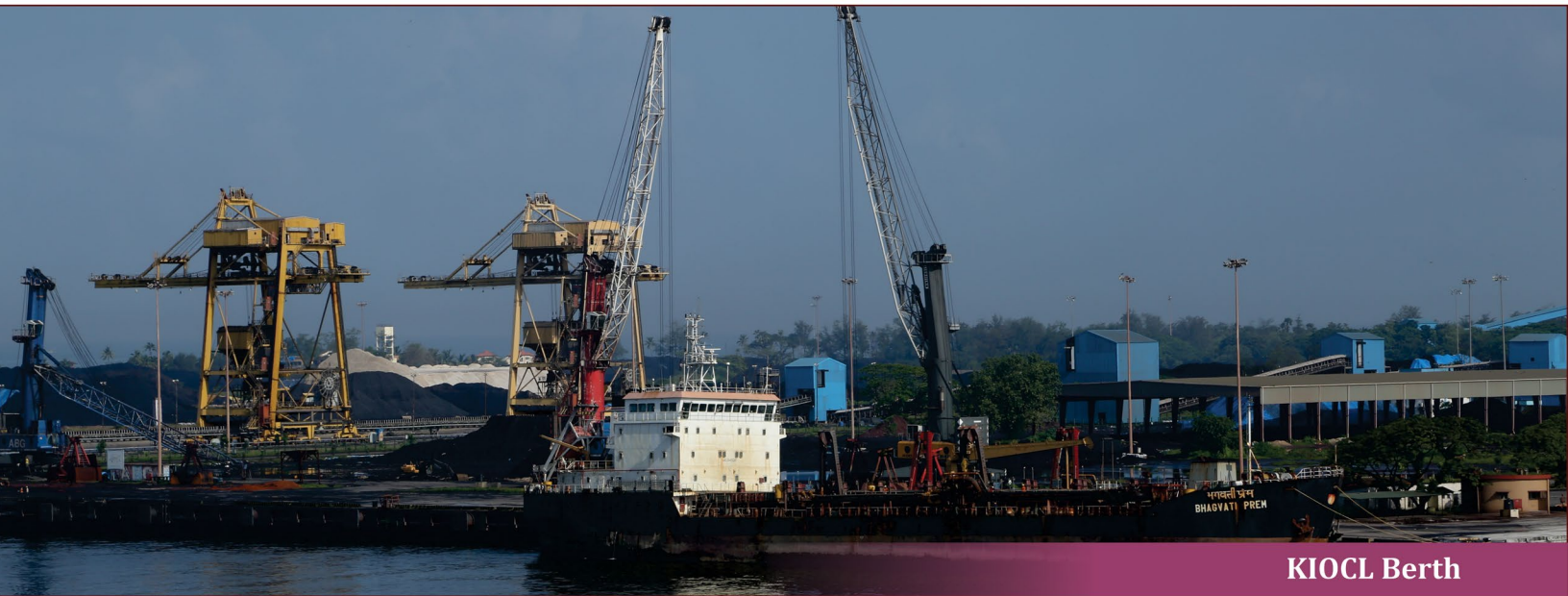


The Pellet Makers
to the Nation

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KIOCL Limited

(A Government of India Enterprise)
CIN:L13100KA1976GOI002974



KIOCL Berth



Pellet Stack Yard



Solar Power Plant at BFU Premises

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Vision, Mission & Objectives



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.



- Lasting relations with customers and vendors to ensure smooth supply chain based on trust and mutual benefits.
- 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.



- 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.

OUR CORE VALUES

CUSTOMER FOCUSED CULTURE	INTEGRITY	TEAM WORK	RESPECT	EXCELLENCE	OWNERSHIP MINDSET
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 would 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 data & transparency.



LEADERSHIP AT KIOCL

BOARD OF DIRECTORS

FUNCTIONAL DIRECTORS



Sri S K Gorai
CMD (Addl. Charge) [w.e.f. 01.07.2021]
& Director (Finance)



Sri MV Subba Rao
Chairman-cum-Managing Director
(upto 30.06.2021)



Sri T Saminathan
Director (Commercial)



Sri K V Bhaskara Reddy
Director (P&P)

GOVT. NOMINEE DIRECTORS



Smt Sukriti Likh
Addl. Secretary & Financial Advisor
Ministry of Steel (w.e.f. 23.04.2021)



Sri T Srinivas
Joint Secretary
Ministry of Steel



Sri Shashank Priya
Financial Advisor (Addl. Charge)
Ministry of Steel (w.e.f. 17.12.2020 & upto 23.04.2021)



Sri Vijoy Kumar Singh
Financial Advisor (Addl. Charge)
Ministry of Steel (upto 05.11.2020)

INDEPENDENT DIRECTORS



Sri Jagdish P Joshi



Sri Nirmalendu Mohapatra



Sri Ranjit Sreenivas



Sri G Ramasamy

BOARD SUB-COMMITTEES (as on 31.03.2021)

AUDIT	CORPORATE SOCIAL RESPONSIBILITY
<p>Sri Jagdish P. Joshi, Independent Director, Chairman Sri G. Ramasamy, Independent Director, Member Sri Ranjit Sreenivas, Independent Director, Member Sri T. Saminathan, Independent Director, Member Sri S. K. Gorai, Director (Finance), Permanent Invitee</p>	<p>Sri N. Mohapatra, Independent Director, Chairman Sri S. K. Gorai, Director (Finance), Member Sri K.V. Bhaskara Reddy, Director (P&P), Member</p>
STAKEHOLDERS RELATIONSHIP	NOMINATION & REMUNERATION
<p>Sri G. Ramasamy, Independent Director, Chairman Sri Jagdish P. Joshi, Independent Director, Member Sri Ranjit Sreenivas, Independent Director, Member Sri T. Saminathan, Director (Commercial), Member Sri K.V. Bhaskara Reddy, Director (P&P), Member</p>	<p>Sri N. Mohapatra, Independent Director, Chairman Sri Jagdish P. Joshi, Independent Director, Member Sri G. Ramasamy, Independent Director, Member Sri M. V. Subba Rao, CMD, Member</p>
RISK MANAGEMENT	INVESTMENT, PROJECT APPRAISAL & MONITORING
<p>Sri Ranjit Sreenivas, Independent Director, Chairman Sri S. K. Gorai, Director (Finance), Member Sri T. Saminathan, Director (Commercial), Member Sri K.V. Bhaskara Reddy, Director (P&P), Member Sri Ram Gopal. G, Risk Officer – Ex-Officio Invitee</p>	<p>Sri Jagdish P. Joshi, Independent Director, Chairman Sri S. K. Gorai, Director (Finance), Member Sri T. Saminathan, Director (Commercial), Member Sri K.V. Bhaskara Reddy, Director (P&P), Member</p>



[View of Stacker at Pellet Plant]

CORPORATE INFORMATIONS

COMPANY SECRETARY

Sri Pushp Kant 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: 540 680

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,
Malleswaram, Bengaluru - 560 003
Tel No.: 080 2346 0815 - 818
Fax No.: 080 2346 0819
Email: irg@integratedindia.in

OUR BANKERS

Canara Bank Union Bank of India
IndusInd Bank State Bank of India
ICICI Bank Ltd. Yes Bank Ltd.
Kotak Mahindra

OUR CREDIT RATING AGENCY

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

OUR AUDITORS

STATUTORY AUDITOR	INTERNAL AUDITOR	COST AUDITOR	SECRETARIAL AUDITOR
M/s YCRJ & Associates Chartered Accountants, No.236, Pushpagiri Bhavan, 3 rd Floor, F Block, 14 th Main Sahakara Nagar, Bengaluru – 560 092	M/s Manohar Chowdhry & Associates Chartered Accountants, #71, 2 nd Floor, 8 th Main, 2 nd Block, Jayanagar, Bengaluru – 560 011	M/s R.M. Bansal & Co. Cost Accountants, 80,1 st Floor, Central Complex, Subedar Chathram Road, Rajiv Gandhi Circle, Bengaluru – 560 020	Sri S. Viswanathan Company Secretary in Practice, Flat 'B', Susheel Chandra, Apartments, 17 th 'A' Cross, 10 th '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	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
Production (quantity)										
a) Pellets	2210	2375	2238	2327	1460	100	785	1710	1265	1710
b) Pig Iron					-	-	-	-	-	-
Capacity Utilisation (%)										
a) Pellets	63	68	64	66	42	3	22	49	36	49
b) Pig Iron					-	-	-	-	-	-
Sales (quantity)										
a) Pellets	2311	2356	2206	2301	1387	409	680	1615	1236	1716
b) Pig Iron	3	3	2	3		-	1	2	4	10
Total Sales (US \$ Million) *	317.44	265.71	261.06	241.07	128.68	29.82	102.57	-	-	315.59
Export Sales (US \$ Million)*	249.94	222.45	178.45	148.93	75.95	10.74	12.14	-	-	93.16
DTA Sales (US \$ Million) *	67.50	43.26	82.61	92.14	52.73	19.08	90.43	-	-	222.43
Total Sales (in ₹ Lakhs) **	234735	188417	182877	157015	86753	19980	62884	153237	115912	152108
Export Sales (in ₹ Lakhs)	184606	157413	124698	99959	51751	7217	7391	-	-	41818
DTA & Indigenous Sales (in ₹ Lakhs)**	50129	31004	58179	57056	35002	12763	55493	153237	115912	110290
Gross Margin from operation	34727	(1845)	8610	(3483)	(9133)	(22358)	(11535)	(5037)	(6847)	3252
Income earned from Deposits / Mutual Funds etc.	9041	10923	11692	12503	14393	15618	17508	15663	14439	13511
Profit on sale of assets	1	39	37	1454	64	24	63	4	7	4
Interest paid	-	-	-	-	-	-	-	-	-	-
Cash Profit	43769	9117	20339	10474	5324	(6716)	6036	10630	7599	16767
Depreciation & DRE	2746	2749	1927	1865	2202	2251	3209	4232	4322	4090
Profit before Prior period adjustment/ extraordinary items	41023	6368	18412	8609	3122	(8967)	2827	6398	3277	12677
Prior period adjustment/ extraordinary items	-	-	-	-	-	-	299	(258)	(43)	(1138)
Profit before Tax (PBT)	41023	6368	18412	8609	3122	(8967)	3126	6140	3234	11539
Profit after Tax (PAT)	30117	4348	11186	8148	4793	(8015)	3082	3994	3105	9430
Dividend - to Government ***	9871	4312	8194	6659	2324	-	628	816	628	1884
- to others ***	96	42	78	67	24	-	6	8	6	19
- Dividend Tax	-	-	1700	1369	481	-	127	140	108	316
- % of Share Capital	16.40	7.00	13.30	10.60	3.70	-	1.00	1.30	1.00	3.00
Transfer to General Reserve	-	-	-	-	1964	(8015)	2321	3029	2362	7210
Paid-up Capital	60775	62193	62193	63451	63451	63451	63451	63451	63451	63451
No of shipments (Despatch)	45	44	42	44	26	7	15	42	24	38
Value added	66549	28605	37314	28403	18552	3431	23095	29987	23530	33171
No. of employees	746	805	841	888	922	938	947	957	1251	1319
Value added per employee	89.21	35.53	44.37	31.99	20.12	3.66	24.39	31.33	18.81	25.15
Value added per Rupee payment to employee	3.57	1.69	2.22	1.46	1.24	0.29	1.75	1.98	1.52	2.33

Pellets includes Pellet Fines
Pig Iron includes Auxiliary material

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

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

***Includes proposed final dividend.

FIVE YEARS AT A GLANCE



MESSAGE FROM THE CHAIRMAN-CUM-MANAGING DIRECTOR



Esteemed Shareholders,

I trust your family and you are keeping well in the midst of unprecedented and intense second wave of COVID-19 Pandemic.

Thank you for your continued support which also contributed to the success of our Company.

KIOCL's response to COVID-19 Pandemic

The COVID-19 viral outbreak was different from variants of the past. It was deadly combination of speed of spread with debilitation and death. During this challenging period, your Company faced two-fold responsibility of uninterrupted operation of Plant and protecting the health and safety of all its stakeholders. Your Company responded with a mix of cautious engagement, social distance and virtual engagement. The result is that, we could minimize the virus infection to the employees, still continued production activities without much hinderances.

Enhancing shareholder value

It gives me immense pleasure and sense of pride in stating that, during the Financial Year 2020-21 your Company has performed exceptionally well despite uncertainty in international market for iron ore Pellets since outbreak of COVID-19 Pandemic as well as an intense competitive market. The performance is reflective of the hard work and perseverance of dedicated employees working relentlessly for your Company's success. Please join me in congratulating the leadership and employees of the Company for delivering an exceptionally successful Financial Year.

Let me share the key performance highlights for the Financial Year 2020-21. During the year your Company had:

- Produced 2.210 million tons and dispatched 2.311 million tons of Pellet;
- Achieved Export sales of 1.844 million tonnes of Pellets reaching to the highest after closure of its captive mine;
- Achieved a record Total Income of ₹ 2477.83 crores, which is highest since inception of the Company;
- Earned a Profit before Tax of ₹ 410.23 crores and Profit after Tax of ₹ 301.17 crores;
- Generated revenue of ₹ 4.57 crores from mineral exploration activities and work in hand of ₹ 114.69 crores;
- Earned a Net Foreign Exchange of ₹ 1759.61 crores;
- Incurred a CAPEX of ₹ 41.05 crores;
- Completed Buyback of 1,41,74,469 equity shares at a price of ₹ 110/- per equity share for an aggregate consideration of ₹155.92 crores (excluding tax); and
- Proposed to pay a total dividend of ₹ 99.67 crores for the FY 2020-21, which is 16.40 % on the Paid-up Equity Share Capital of the Company, subject to approval of shareholders.

Future Outlook

World steel forecasts that steel demand to grow by 5.8% in 2021 to reach 1,874 million tonnes (Mt), after declining by 0.2% in 2020. The current forecast assumes that the ongoing second or third waves of infections would stabilize in the second quarter and that steady progress on vaccinations would allow a gradual return to normalcy in major steel-using countries. Despite the disastrous impact of the pandemic on lives and livelihoods, the global steel industry was fortunate enough to end 2020 with only a minor contraction in steel demand. This was due to a surprisingly robust recovery in China, with growth of 9.1%. In the rest of the world steel demand contracted by 10%. In the coming years, steel demand is expected to recover firmly, both in the developed and developing economies, supported by pent-up demand and Governments' recovery programmes. However, for most developed economies a return to the pre-pandemic levels of steel demand will take a few years. While it is hoped that the worst of the pandemic is passing, there is still considerable uncertainty for the rest of 2021. The mutation of the virus and progress of vaccinations, withdrawal of supportive fiscal and monetary policies, geopolitics and trade tensions could all affect the recovery envisaged in this forecast.

Way forward - Creating KIOCL of tomorrow

For a sustainable future, your Company is continuously working on various long term / short term expansion / diversifications projects, which are at different stages of implementations / approvals from different regulatory authorities at the level of State Government and Central Government.

Corporate Social Responsibility - Growth with Goodness

As part of its Corporate Social Responsibility initiatives, your Company continued its comprehensive and need based support to the communities in and around its projects area. In its commitment to the underprivileged communities, the Company carried out various CSR activities during the year to have an impactful social development. Your Company also contributed to the PM CARES FUND to support and strengthen the hands of Government of India to combat and control COVID-19 Pandemic.

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 complying with the provisions of SEBI (Listing Obligations and Disclosure 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, from time to time.

Acknowledgements

I take this opportunity to thank the Board Members and particularly distinguished Govt. Nominee Directors, Independent Directors for their continued leadership support to the Company and its employees. I also thank employees of Company without whose efforts and commitment, the Company could not have performed so well in the current challenging conditions. I would also like to deeply thank and acknowledge the continued co-operation, trust and support of various Government/ Regulatory authorities, Company's valued customers, suppliers, vendors, investors, bankers and shareholders.

Your Directors deeply regret the loss of life due to the outbreak of COVID-19 and are grateful to every individual who risked their life and safety to fight this pandemic.

Sd/-

S.K. Gorai

Chairman-cum-Managing Director (Addl. Charge)
KIOCL Limited



BOARD'S REPORT - 2021

To the Members,

Your Board of Directors are pleased to present the 45th Annual Report on the business and operations of your Company ("the Company" or "KIOCL") along with Audited Financial Statements for the Financial Year ended March 31, 2021, together with the Auditors' Report on the Annual Financial Statements and Comments on the same by the Comptroller & Auditor General (C&AG) of India.

The Audited Financial Statements of the Company for the year ended March 31, 2021 are prepared in accordance with the relevant applicable Ind AS and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and provisions of the Companies Act, 2013 ("Act").

1. FINANCIAL RESULTS AND STATE OF COMPANY'S AFFAIRS

(₹ in crores, Except EPS & Book Value)

Particulars	FY 2021	FY 2020
Total Income	2477.83	2056.53
Revenue from Operations	2383.61	1937.65
Other Income	94.22	118.88
Earnings Before Interest and Tax (EBIT)	425.09	73.65
Profit Before Tax (PBT)	410.23	63.68
Tax Expense (including deferred taxes)	109.06	20.20
Profit After Tax (PAT)	301.17	43.48
Add: Other Comprehensive Income (Net of Tax)	1.37	(0.21)
Total Comprehensive Income	302.54	43.27
EPS (Basic & Diluted)	4.87	0.70
Average Net worth	1950.96	1,954.94
Average Capital Employed	2152.16	2,104.38
Book Value per Share	32.68	30.81
Return (EBDITA) on Average Capital Employed (%)	21.03	4.81
Return on Average Net Worth (%)	15.44	2.22
Capital expenditure	41.05	21.93
Contribution to Exchequer: -		
Central	147.97	84.62
State	2.00	1.66

Despite uncertainty in international market for iron ore Pellets since outbreak of COVID-19 Pandemic, your Company, produced 2.210 Million Tons and dispatched 2.311 Million Tons of Pellets during the year and achieved a record total income of ₹ 2477.83 crores, which is highest since inception of the Company as against ₹ 2056.53 crores in the Financial Year 2019-20, registering growth of 20.49%. Your Company achieved its best financial performance, since closure of its captive mine and has earned a PBT of ₹ 410.23 crores and PAT of ₹ 301.17 crores during the year as against PBT of ₹ 63.68 crores and PAT of ₹ 43.48 crores during previous Financial Year. The net profit includes an operating profit ₹ 316.01 crores as against operating loss of ₹ 55.21 crores during previous Year.

COVID-19 Pandemic, its Impact and KIOCL's Response

Since the outbreak of COVID-19 Pandemic, International market for iron ore Pellet was under severe pressure as manufacturing and economic activities across the globe were affected. KIOCL being a shore-based pellet plant, could continue its sales activities without much hindrance and service the contracts. Due to lockdown imposed across the countries, your Company faced initial difficulties in timely collection and negotiation of shipping / sales documents through banks for realisation of sales proceeds. However, your Company could overcome the difficulty by making specific agreements with its customers.

COVID-19 outbreak in India, followed by the lockdown, had impacted the domestic steel industry severely. It had affected demand, output of steel players and the supply chain. Hit by the pandemic, steel production in India was down by 10% at 100 million tons in 2020, against the 111 million tons logged in the same period during the previous year. Effects of COVID-19 being unclear, it would be extremely difficult to predict market behaviour. Europe is yet to start full scale operations, Japan and South Korea are also going through scaled down production activities. Though presently Chinese market is depicting slightly positive trend, its sustainability needs to be observed. Volatile Geopolitical situation is also a matter of concern and its effects are tough to envisage.

If not for the Government's spending on infrastructure, steel demand would have fallen even sharply as the pandemic has taken a heavy toll on the industry. However, timely measures such as push for housing and infrastructure projects, aid to MSME's, Mining reforms and "Atmanirbhar Bharat" scheme by Government have helped industry to recover the turbulence. Though domestic demand recovered to pre-COVID levels in the month of August 2020 with economic activities limping back to normalcy, a full-blown recovery was seen only in the month of November 2020 when sales volume surged to 11% year-on-year. However, with second wave of Pandemic gaining momentum, its impact on the industry is yet to be ascertained.



[KIOCL has handed over Ventilators to the Dy Commissioner, Dakshina Kannada Dist. in the presence of Sri Nalin Kumar Kateel, Hon'ble Member of Parliament, Dakshina Kannada District]

Revenues

During the year, your Company earned Revenue from Operations of ₹ 2,383.61 crores as compared to ₹1,937.65 crores in the previous year, a growth of 23.02 %. Revenue from export sales increased by 17.27 % to ₹ 1846.06 crores as compared to the previous Financial Year figure of ₹ 1574.13 crores. Your Company achieved export sales of 1.84 million tonnes of Pellets against previous years export of 1.99 million tonnes. Your Company achieved 77.45 % of total revenue from operations through export. Income from Sale of Services (O&M Operations and Mineral Exploration Services) during the year was ₹ 14.01 crores against ₹ 41.30 crores of previous year. Other Income comprising of Income from Treasury Operation and other Miscellaneous Income has decreased to ₹ 94.22 crores from ₹ 118.88 crores, mainly due to corpus reduction on account of buyback, dividend payment totaling approx. ₹ 300 crore during the year and reduction of interest rates of Fixed Deposits.



[Sri Faggan Singh Kulaste, Hon'ble Minister of State in MoS facilitated on his visit to KIOCL on 18.10.2020]

Profits

Your Company earned a record Profit Before Tax of ₹ 410.23 crores against a Profit Before Tax of ₹ 63.68 crores in the previous year, an increase of 544 %. The increase is primarily due to realisation of contribution to ₹ 2475 per ton, an increase of ₹ 1724 per ton, compared to ₹ 751 per ton during the previous year. Your Company had earned Profit After Tax of ₹ 301.17 crores during the current year as compared to ₹ 43.48 crores during previous year.

2. RETURN OF SURPLUS FUNDS TO SHAREHOLDERS

Dividend

In view of the Company's encouraging performance, your Directors have recommended to distribute 33.09% of PAT i.e. a final dividend of ₹ 1.64 per equity share on face value of ₹ 10/- each for the FY 2021 (16.40% on the Paid-up Share Capital) against ₹ 0.70 per equity shares during the previous year, subject to the approval of Members at the ensuing AGM to be held on 15/09/2021. The final dividend, if approved by the Members, would involve a cash outflow of ₹ 99.67 crore, against a cash outflow of ₹ 43.54 crore during the previous Financial Year.

Buyback of Shares

The Board of your Company in its Meeting held on 19/10/2020, approved the buyback of fully paid-up equity shares of ₹ 10/- each not exceeding 1,41,74,469 equity shares (representing 2.28% of the total number of equity shares in the paid-up share capital of the Company) at a price of ₹ 110/- per equity share payable in cash for an aggregate consideration not exceeding ₹ 155.92 crores (excluding tax) being 8.25% of the aggregate of the fully paid-up equity share capital and free reserves as per the audited financial statements of the Company for the financial year ended March 31, 2020. This

was within the statutory limits of 10% of the aggregate of the fully paid-up equity share capital and free reserves under the Board of Directors approval route as per the provisions of the Companies Act from the equity shareholders of the Company, as on the record date, on a proportionate basis, through the Tender Offer route as prescribed under the Buyback Regulations. The total outflow of funds on account of buyback including taxes was ₹ 188.94 crores.

Your Company completed buyback in accordance with provisions contained in Companies Act, 2013 and SEBI (Buyback of Securities) Regulations, 2018. The President of India acting through Ministry of Steel, Govt. of India being the Promoter of the Company had tendered Buy Back offer through Stock Exchange Mechanism and 1,41,73,577 Equity Shares were accepted in the Buy-back and 892 Equity Shares were accepted from other non-promoter shareholders.

The Company concluded buy-back on 24/12/2020, consequently 1,41,74,469 Equity Shares were extinguished. The Company utilized its general reserve for the buy-back of its shares. In accordance with Section 69 of the Companies Act, 2013, the Company created a Capital Redemption Reserve of ₹ 14.17 crore equal to the nominal value of shares bought back as an appropriation from the general reserve.

The Shareholding Pattern of the Company, pre-Buyback and post-Buyback is as under:

Particulars	Pre-Buyback		Post Buyback	
	No. of Equity Share	% of existing Equity Share Capital	No. of Equity Share	% of the Post Buyback Equity Share Capital
Govt. of India	61,60,51,204	99.06	60,18,77,627	99.03
Public Shareholding	58,74,361	0.94	58,73,469	0.97
Total	62,19,25,565	100	60,77,51,096	100

Liquidity

Your Company continue to be debt-free and maintain sufficient cash to meet its strategic and operational requirements. As on March 31, 2021, the Company had a net cash and cash equivalent balance of ₹ 1454.87 crores as against ₹ 1530.09 crores as on 31/03/2020.

Capital Expenditure (CAPEX)

During the year, the total CAPEX was ₹ 41.05 crores, which was 14.40% of the Budget Estimate (BE) of ₹ 285 crores and 12.07% of the Revised Estimate (RE) of ₹ 340 crores. The shortfall was mainly on account of Forward and Backward integration project of Blast Furnace Unit not taking off as the Public Procurement Policy for domestic tendering for less than ₹200 crores entailed re-tendering of the same; delayed finalization of Pressure Filters project for Pellet Plant Unit and pending forest clearance for Devadari Iron Ore Mine.

Credit Rating

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

Name of Agency	Facilities	Amount (₹ in crores)	Rating	Remarks
ICRA Limited	Line of Credit (LOC)	1049	Long Term Rating: ICRA AA- [ICRA Double A Minus; Outlook: Stable] Short Term Rating: ICRA A1+ [ICRA A One Plus]	Assigned two notches below the highest rating. Highest rating.

Market Capitalization - Top 500 Companies

Your Company had been included amongst the top 500 listed Companies as per Market Capitalization on NSE and BSE and stands at No. 291 and 295 with Market Capitalisation of ₹ 8715.15 crore and ₹ 8730.34 crore, respectively.

MoU Performance

Performance of your Company in terms of the Memorandum of Understanding (MoU) with the Ministry of Steel, Government of India for the Financial Year 2019-20 was provisionally rated as "Fair". Final rating from DPE is awaited. The MoU evaluation for the Financial Year 2020-21 is under finalisation and is expected to achieve a "Very Good" rating despite uncertainty in business environment due to COVID-19 Pandemic.

Risk Management

Pursuant to the requirement of Regulation 21 of the Listing Regulations, the Company had 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.

Particulars of Loans, Guarantees or Investments

During the year 2020-21 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

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 Obligation and Disclosure Requirements) Regulations, 2015, during the Financial year, 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 approved Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions 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, 2021 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 disinvestment of 15% KIOCL Equity Shares by Follow-on Public Offer (FPO), as approved by the Cabinet Committee on Economic Affairs (CCEA) had not been achieved by Govt. of India during the year.

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.

Table 2: Sales Performance

(Qty: in Million Tons, Value: ₹ In Crs.)

Year	Pellets		Pig Iron		Total	
	Qty	Value	Qty	Value	Qty	Value
2020-21	2.311	2343.80	0.003	3.55	2.314	2347.35
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

(Note: Pig Iron includes Auxiliary)

Business Responsibility Report (BRR)

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

3. BUSINESS AND OPERATIONAL REVIEW

Pellet Plant Unit

Your Company produced 2.210 million tons of Pellets during the year 2020-21 as comparison to 2.375 million tons in the previous year and sold 2.311 million tons of Pellets as against 2.356 million tons in the previous year, against a MoU target of 2.500 (Very Good). The Company missed the MoU target due to non-availability of raw material due to frequent cyclones in the eastern region coupled with COVID-19 Pandemic affecting the mining activities at NMDC mines at Chhattisgarh. Out of the total quantity sold, exported quantity was 1.84 million tons which was about 80% of the total sales and balance 0.47 million tons was sold to domestic customers.

Blast Furnace Unit

The Blast Furnace Unit (BFU) remained under suspension due to uneconomic price of Pig Iron and high Coke Price.

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 (Very Good)	Actual Production	Utilisation of installed capacity in %
2020-21	2.500	2.210	63
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

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



[Pellet Loading at KIOCL Shipyard at Pellet Plant]

Mineral Exploration Works

Highlights of performance during the Financial Year 2020-21 are: -

- Fifteen (15) Mineral Exploration Projects with cumulative project approved value of ₹ 129.81 crores (including GST) were handled;
- Total revenue of ₹ 4.57 crores (including GST) was received from NMET and Govt. of Karnataka. Interest free advance of an amount (mobilization amount) of ₹ 7.62 crores (including GST) was received from Govt. of Karnataka.
- Four (4) Mineral Exploration projects were completed as per the approved timelines of National Mineral Exploration Trust (NMET), Ministry of Mines, GoI. Geological Reports were submitted to NMET.



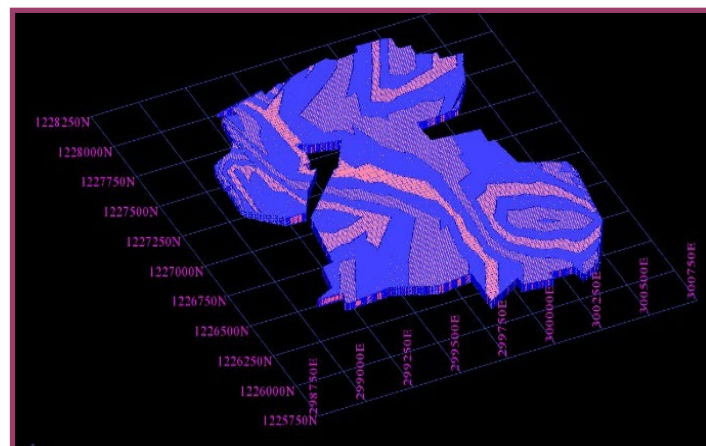
[Borehole survey works using DGPS instrument at Neerbudhihal Limestone Block, Bagalkote (Dist.)]

Details of Mineral Exploration Projects executed: -

Projects approved and funded by NMET: -

Mineral Exploration works of below indicated four (4) blocks completed and GR submitted to NMET: -

- Udbur Gold Block, Mysore (District), Karnataka: G4 level ME works for Gold & Associated elements (NICKEL PHASE);
- Neerbudhihal Limestone & Dolomite Blocks (East & West), Bagalkote, Karnataka (02 Blocks): G4 level ME works for limestone and dolomite;
- Reddipalayam Amalgamated Limestone Block, Ariyalur (Tq & Dist), Tamil Nadu: G2 level ME works for limestone.



[Ore reserve estimation - GEOVIA Surpac 2020 software of Reddipalayam Amalgamated Limestone Block]

Total revenue of ₹ 4.41 crores (inclusive of GST) was generated from NMET. The Company received the sanction order for carrying out G4 level of ME works for Kyanite in Kallahalli Kyanite Block, Mysore (Dist), Karnataka with project approved cost of ₹ 1.92 Crores (Including GST). Project is planned for execution during the Financial Year 2021-22.

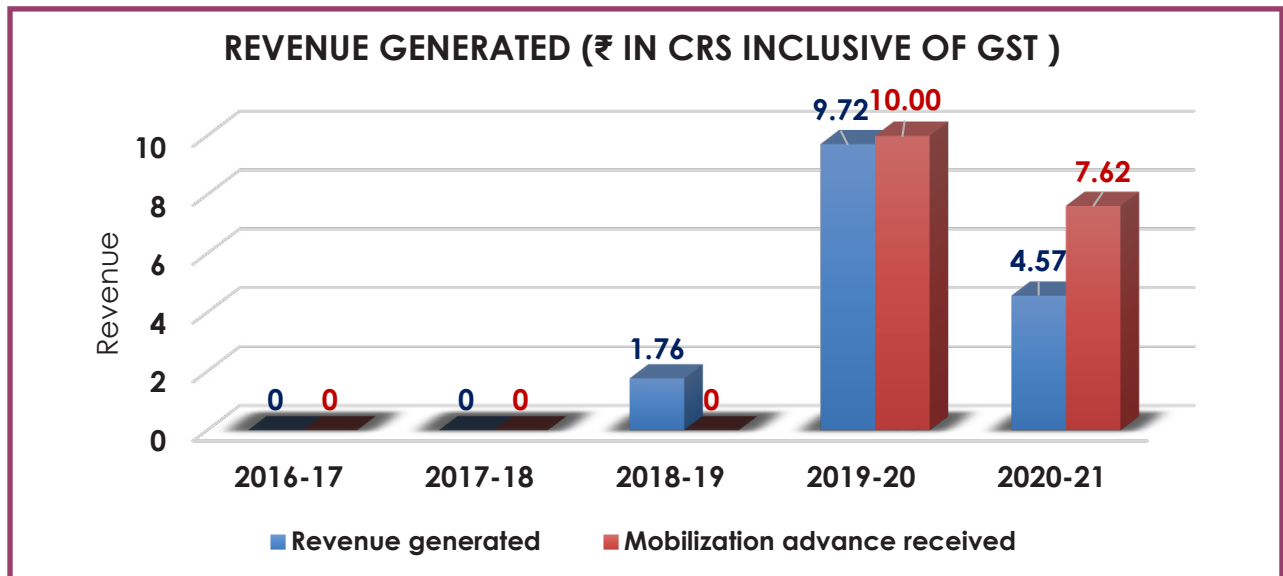
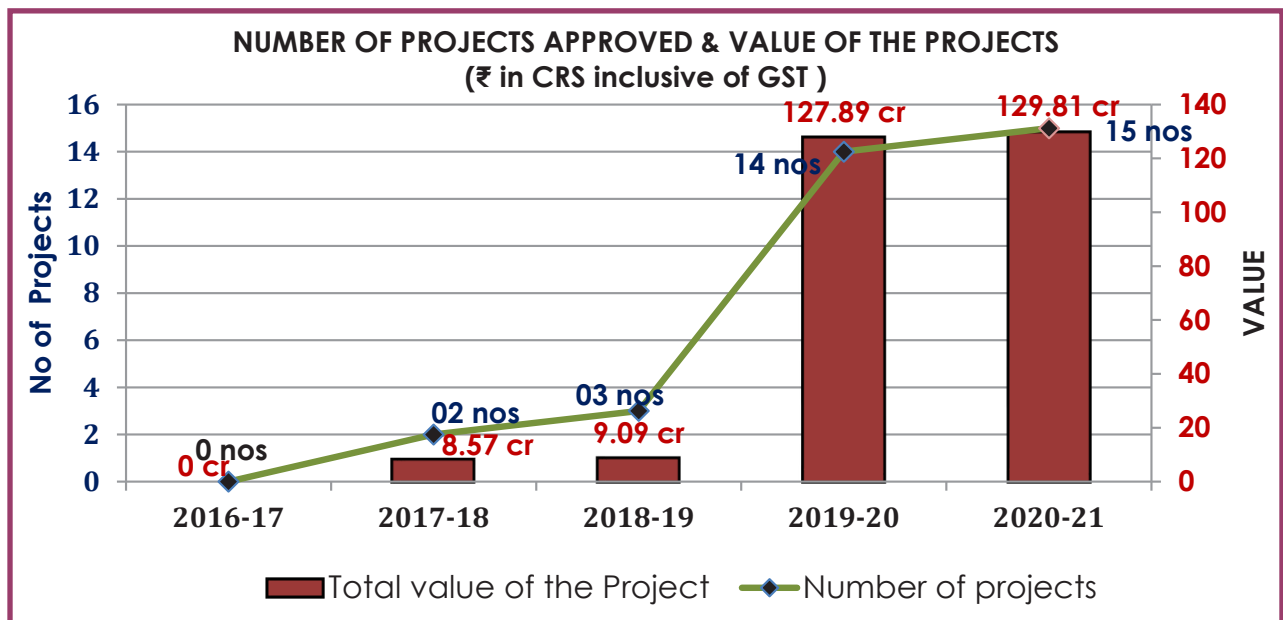
Six (6) potential areas in the State of Karnataka for precious and base metals were identified for future Mineral Exploration works through NMET funding. Mineral Exploration Project Proposals (MEPP) were placed before Department of Mining and Geology (DMG), Govt of Karnataka (GoK) for scrutiny and consent.

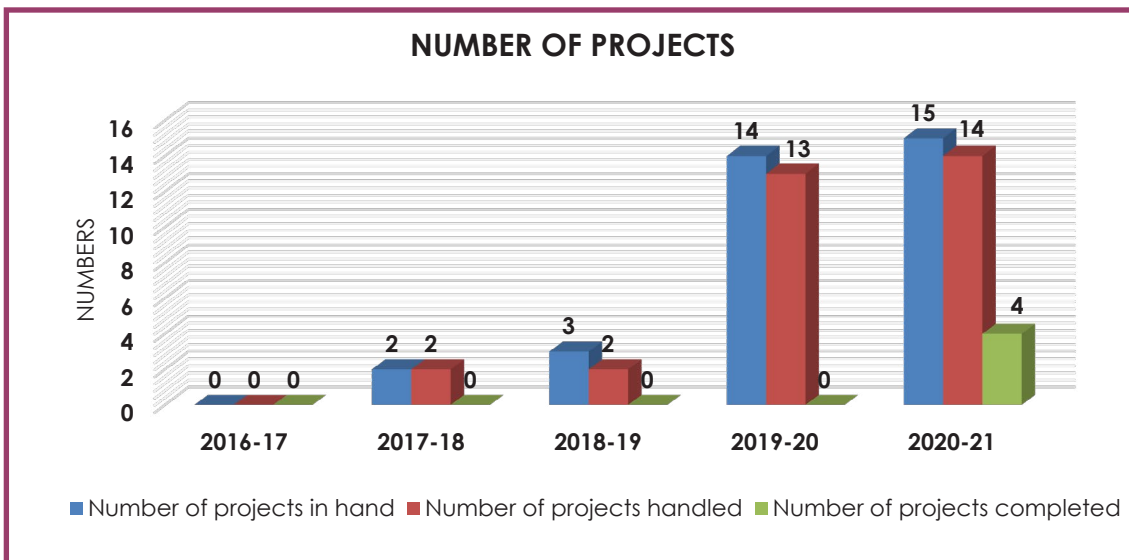
Projects approved and funded by DMG, GoK: -

Iron Ore and Manganese – 10 Blocks (Lot No 01, Lot 02 and Haddinapade) for G3 and G2 level situated in Bellary and Chitradurga (Dists) of Karnataka:

- Detailed Geological Mapping works completed and Technical Committee of GoK approved the borehole plan.
- Proposal seeking permission for diversion of forest land is under process and forest clearance is awaited.
- Revenue of ₹ 15.68 Lakhs (inclusive of GST) is generated from GoK blocks.

Progress of Mineral Exploration Work is depicted as under: -





Operation and Maintenance Portal - M/s. OMC at South Kaliapani, Odisha: -



[Erection of Rod Mill in progress at OMC at South Kaliapani]

M/s. OMC had awarded the work to your Company to take up balance works of construction of Chrome Ore Beneficiation Plant and commissioning. The total awarded contract price for the balance work was ₹ 28.60 crores plus GST and subsequently to carry out the operation and maintenance for at least five years period after commissioning. KIOCL had procured equipments worth ₹ 13 crores to M/s OMC for the project as per the contractual terms. The jobs were expected to be completed by 30/11/2020. However, the same got extended due to non-supply of mechanical equipment and other items at site by various suppliers due to COVID 19

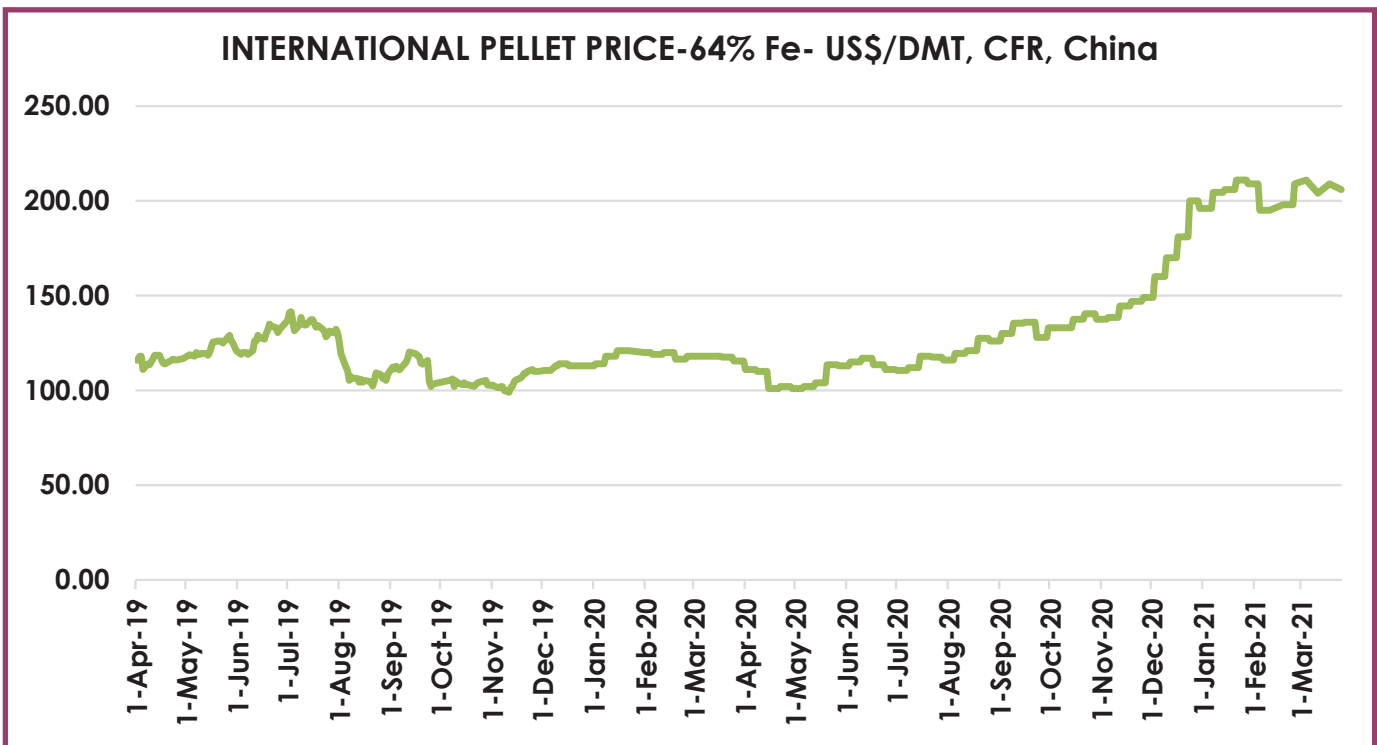
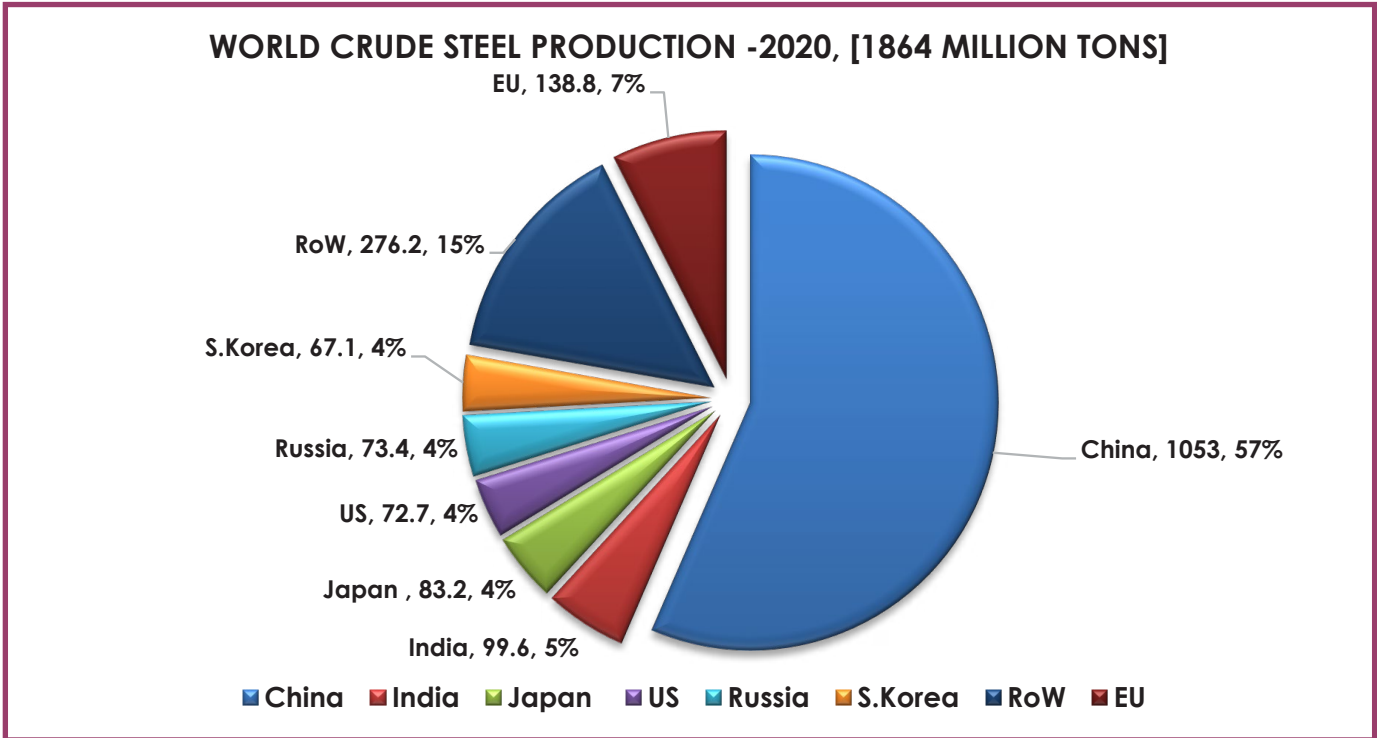
Pandemic. Construction works is expected to be completed by August, 2021.

MARKET SCENARIO

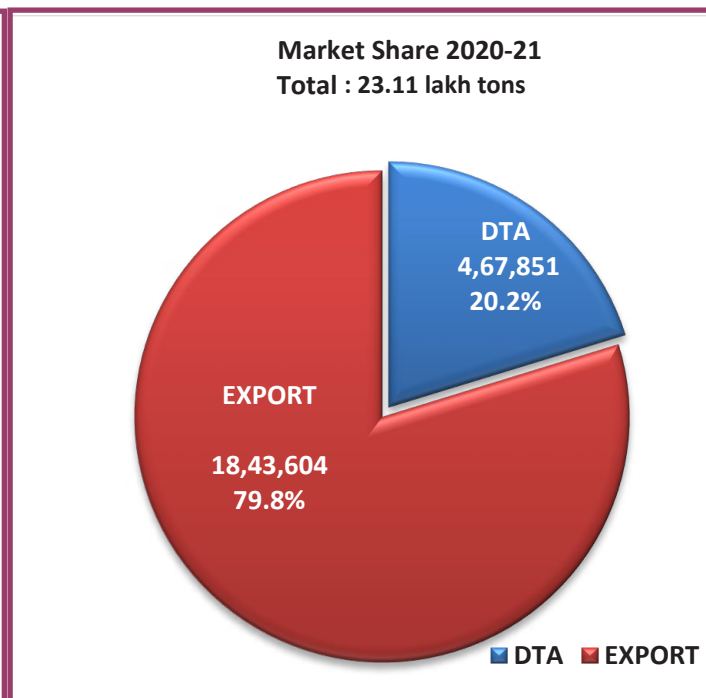
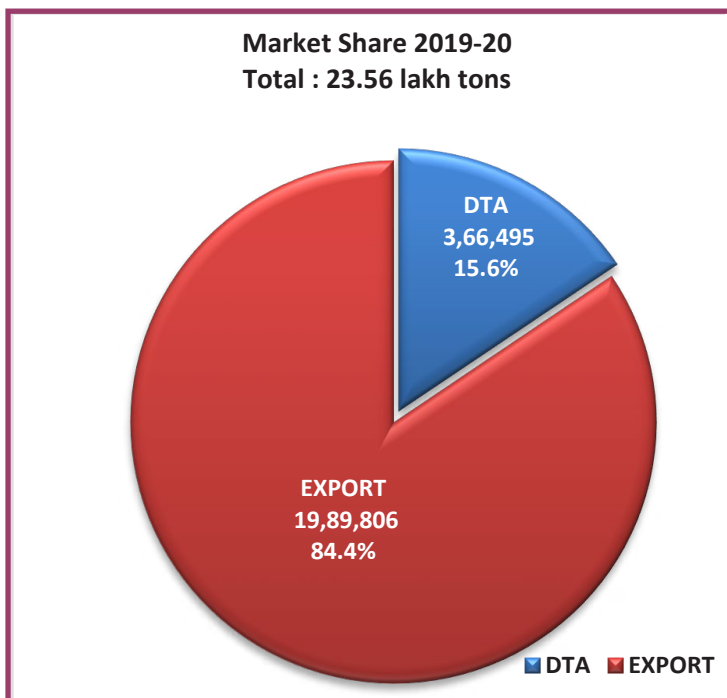
Global crude steel production reached 1,864 million tonnes (Mt) for the year 2020, down by 0.9% compared to 2019. Asia produced 1,374.9 Mt of crude steel in 2020, an increase of 1.5% compared to 2019. China's crude steel production in 2020 reached 1,053 Mt, up by 5.2% on 2019. China's share of global crude steel production increased from 53.3% in 2019 to 56.5% in 2020. India's crude steel production for 2020

was 99.6 Mt, down by 10.6% on 2019. India remained as the second largest steel producer in the world. Japan produced 83.2 Mt in 2020, down 16.2% on 2019. South Korea produced 67.1 Mt, down 6.0% on 2019. The United States produced 72.7 Mt in 2020, down 17.2% on 2019. The EU produced 138.8 Mt of crude steel in 2020, a decrease of 11.8% compared to 2019.

Russia was estimated to have produced 73.4 Mt in 2020, up by 2.6% against 2019. The Middle East produced 45.4 Mt of crude steel in 2020, an increase of 2.5% on 2019. Iran was estimated to have produced 29.0 Mt in 2020, up 13.4% on 2019. Africa produced 17.2 Mt of crude steel in 2020, the same as the 2019 production figure.



During the year 2020-21, domestic sale of pellets was up by about 28% y-o-y due to improved demand. Share of domestic sales in the total sales increased to about 20.24% from 15.55% during the previous year.



DIVERSIFICATION OF EXPORT MARKET

Your Company is making all efforts to diversify its market base and minimize dependence on few markets. During the year about 56% of the total exports were made to markets other than China, in Middle East, Brazil, Bahrain and Malaysia.

CAPEX AND GROWTH PLAN

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

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.



[Sub-committee Members of Forest Advisory Committee visited to Devadari Iron Ore Mine on 19.03.2021]

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 from IBM.

Company had submitted Form-I through online portal of MOEF&CC, GoI on 18.01.2018. EIA/EMP report was prepared based on Terms of Reference issued on 16.05.2018 by the Environment Appraisal Committee (EAC), MoEF&CC, GoI. On conducting Public Hearing on 25.06.2019, Company submitted Form-II along with Final EIA/EMP report to MoEF&CC, GoI on 12.09.2019 for grant of EC. Environmental Clearance (EC) presentation was made on 19.12.2019 before EAC. On 07/02/2020 EAC 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.

EC proposal was presented once again in the 20th EAC Meeting held on 19.08.2020. The EC proposal was deferred for want of Additional Details sought like Submission of Stage – I forest clearance, approval for drawl of 4 MLD water from TB Dam from GoK.

Water permission proposal was submitted on 12.10.2018 to Principal Secretary, Water Resource Department, Govt. of Karnataka for allocation of water for DIOM. The application was under process with Water Resource Dept., GoK. Meanwhile, Company had engaged M/s MECON Ltd for Water availability study and preparation of Feasibility report for drawl of 4MLD of water from TB Dam or down stream of TB dam or Narihalla reservoir. M/s MECON has submitted report to KIOCL. This Report was submitted to Chief Engineer, KNNL, TB Dam, Munirabad and accordingly chief engineer recommended on 27.01.2021 to State Govt for according permission for water drawl from downstream of TB dam. Water allocation proposal is under active consideration at Water Resource Dept., GoK.

The Company submitted Forest Clearance application in Form "A" on 16/03/2018 through online portal of MoEF & CC, GoI for forest clearance. Govt. of Karnataka on 09.10.2020 recommenced the Forest clearance proposal to MoEF&CC, GoI for In-Principle (Stage I) clearance for an extent of 401.5761 ha i.e., 388 ha for mining area + 13.5761 ha for conveyor corridor, power line, approach road etc. DDG, IRO Bengaluru, MoEF&CC, GoI visited the project site on 09.02.2021 for submission of Site Inspection Report (SIR) to MoEF&CC, GoI. SIR was submitted on 15.02.2021 to MOEF&CC, GoI.

The Agenda for in-principal stage-I Forest Clearance for Devadari Iron Ore Mine was put up in Forest Advisory Committee (FAC) Meeting held on 17.02.2021 for deliberations and recommendations. As per the recommendations of FAC, a sub-committee visited Devadari Mine site on 19.03.2021 and had interaction with officials of Forest Dept., GoK, Directorate of Mines & Geology, GoK and KIOCL. Sub-committee had submitted the report to MOEF&CC. FC proposal would be

placed before the FAC in its Meeting to be held during May-June 2021 for according in-principle (Stage I) approval.

On obtaining statutory clearance, Mining lease deed would be executed with the Government of Karnataka for commencement of Mining operation.

The Company would undertake development of mine, 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 the mine would be utilized in the Pellet Plant Unit and Blast Furnace Unit of the Company at Mangaluru. Setting up of Pellet Plant at Devadari site had been envisaged at later stage.

Setting up of Coke Oven and DISP projects of BFU

In order to make the Blast Furnace Unit (BFU) viable on standalone basis, your Company had envisaged setting up of 1.8 Lakh TPA capacity of Non-recovery Coke Oven plant with waste recovery Power Generation Plant as back ward integration project and 2 Lakh TPA capacity Ductile Iron Spun pipe (DISP) project as forward integration project at the existing BFU of KIOCL at Mangaluru. KIOCL's Board and PIB has approved the project with total capital outlay of ₹ 836.90 Crores. MoEF & CC has granted Environment clearance (EC) in Feb 2020.

Company had appointed M/s MECON as EPCM Consultant for the project. Main technological packages envisaged are installation of Coke Oven Plant, Waste heat recovery Power Plant, DISP Plant, Pulverised Coal Injection plant, Oxygen and Nitrogen plants.

Site Levelling and some of civil jobs have started at the proposed site. Main technological packages are under tendering stage. Due to COVID -19 pandemic the tender process is also getting delayed.

Due to change in General Finance Rules of GoI under the 'Atmanirbhar Bharat', finalizing tenders is getting delayed. Further, change in GFR and Procurement Policy of Govt. of India, registration of DPIIT is mandatory for participation of foreign companies in the bid sharing the country border.

Setting up of 5.0 MWac Captive Solar Power Plant

In order to meet the power requirement of Company's plant at Mangaluru and further to reduce the cost of power of Pellet production, Company envisaged for setting up of Captive Solar Power Plant with an estimated cost of ₹ 24.17 crores. Company engaged an EPC contractor for land identification, Engineering and Construction for setting of 5.0 MWac (6.5 MWp) captive solar plant in Karnataka and appointed M/s IDECK as technical consultant for Project monitoring. The EPC Contractor have identified 20 acres of land for setting up of Solar Power Plant at Kathrikehal Village, Chikkanayakanahalli Tq, Tumku dist. Land



[View of Solar Panels at Kathrikehal]

had been registered in the name of Company on 29.07.2020. All statutory clearances have been obtained for Solar Power Plant. Installation of all solar panel and necessary equipment have been completed. Performance test is being conducted. Long Term Open Access (LTOA) agreement for Wheeling was entered among BESCO, MESCOM and KPTCL. Solar Power generated is being pumped to Kathrikehal KPTCL substation w.e.f 11.03.2021.

JOINT VENTURE / MOU

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

Your Company had signed a MoU with M/s RINL Visakhapatnam for setting up a 2 MTPA capacity Pellet Plant at RINL premises, Visakhapatnam on Joint Venture Basis. To take the project forward, the Techno-Economic Feasibility Report (TEFR), Detailed Project Report (DPR) and Shareholders Agreement was approved by the Boards of both KIOCL and RINL. M/s MECON was engaged as Technical Consultant for obtaining the Environmental Clearance from MoEF and Consent for Establishment (CoE) from Andhra Pradesh State Pollution Control Board.

Meanwhile, M/s RINL had floated an EoI for setting up of 2 MTPA Pellet Plant at Vizag on “Build, Operate and Maintain Mode” Basis. RINL have informed your Company to hold the Joint Venture (JV) activities at present, however, JV is still open till clarity emerges on outcomes of EoI. In view of the above, KIOCL has informed MECON to hold further study / work on preparation of draft report of EIA / EMP study.

MoU with M/s SAIL

Your Company had 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 was under progress with M/s SAIL to finalize the JV agreement for setting up of pellet plant under JV. Meanwhile, KIOCL has started the work of setting up of Coke Oven Plant & DISP Plant at BFU, Mangalore and Devadari Iron Ore Mining project was also under advance stage, so, KIOCL intimated

SAIL to withdraw from the setting up of pellet plant project to augment its resources for its own projects.

MODERNIZATION OF PELLETT PLANT UNIT

Installation of a Barrel Type Blender Reclaimer

For modernization and to fulfil the current requirement of Pellet Plant, Company has installed 1000 tph capacity barrel type blender reclaimer with associated civil and structural works, electrics, instrumentation & control etc.



[View of Blender Reclaimer]

Installation of Vertical Pressure Filters

The existing vacuum disc filters are not suitable to filter the iron ore having high alumina content and slimy in nature. Considering the present scenario and market conditions for the raw materials, KIOCL intends to develop the operations to have flexibility in the blending of ore from any part of the country. Your Company appointed M/s MECON as consultant for installation of vertical pressure filters to handle ore sourcing from Bellary-Hospet belt, Bailadala region or Odisha region. The Board of your Company had approved the project in its 257th Meeting with the estimated cost of ₹ 158.60 crores.

Purchase Order on M/s METSO for procuring main equipment had been placed. Auxiliary equipments and Material handling systems are being procured. Dismantling part of SPF building,



[View of dismantling part of SPF building]

Civil and Structural jobs are under progress for erection of the main equipment. The total savings in production cost by installation of vertical pressure filters is expected to be ₹ 45.3

crores per annum and it would enable the plant to improve capacity utilization with flexibility in blending of ores from various sources.

4. DIGITAL INDIA - SINGLE INTEGRATED INFORMATION SYSTEM / ERP

Your Company is in the process of implementation of SAP S/4 Hana ERP on MeitY empanelled cloud environment (IaaS model) and had accordingly appointed a System Integrator (SI). Functional experts of respective modules from SI have started Business discussion sessions on Functional Requirement Specification (FRS) of each module with Core team and functional team members. The modules to be implemented are Procurement and Inventory and Payroll with ESS, Project Management, Financial Management, Plant Maintenance, Production and Quality control, Reporting management & Analytics along with Document Management System.



[CMD inaugurated the ERP Wing in presence of Functional Directors on 15.03.2021]

5. HUMAN RESOURCE MANAGEMENT & INDUSTRIAL RELATIONS

Human Assets

Your Company has been conferred with “Karnataka Best Employer Brand Award 2020” by World HRD Congress. The award was presented to CMD during Virtual Event held on 26.12.2020.

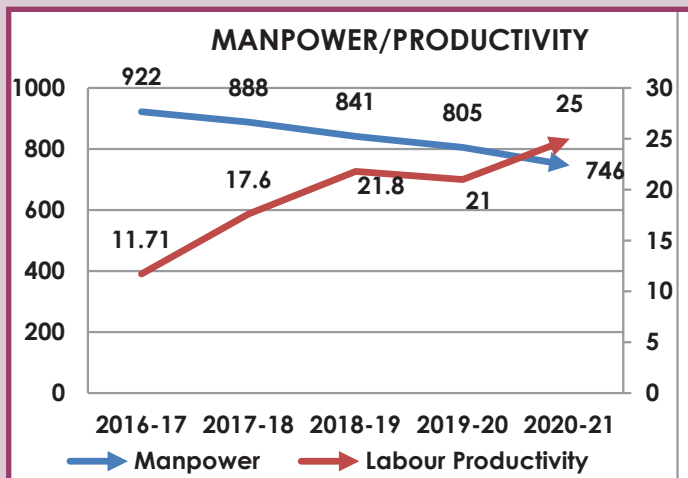
Your Company takes proactive measure in building positive employee-employer relationship by nurturing initiatives, innovations and aspirations of the employees as an integrated approach of Human Resource Management, focusing on people to manage change and strive for continued excellence.

As on March 31, 2021, the Company had 746 employees on its rolls comprising of 208 Executives (28%), 37 Non-Unionized Supervisors (5%) and 501 Non-Executive Employees (67%).



Table: 3 Breakup of employees on rolls as on March 31, 2021.

Group	Total	SC	ST	Ex-servicemen	PwD	Women Employees
A	208	41	13	-	4	11
B	37	4	1	-	2	6
C	471	69	29	-	2	5
D & D (S)	30	4	5	-	3	1
Total	746	118	48	-	11	23



Enhanced productivity and Rationalised Manpower

Your Company had achieved the Labour Productivity (LP) of 25 MT/MD during FY 2020-21. The manpower of production department only had been considered for the purpose of labour productivity.

The enhanced productivity and rationalized manpower could be achieved as a result of judicious recruitments, building competencies and infusing a sense of commitment and passion among employees.

Prevention of Sexual Harassment of Women at Workplace

Your Company has duly constituted an Internal Complaint Committees (ICC) to redress Sexual Harassment Complaints. No complaint was filed during the year under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Women in the Workforce and their Empowerment

Your Company is a corporate life member of the Forum of Women in Public Sector (WIPS), a body functioning under the aegis of Standing Conference of Public Enterprises (SCOPE). Women employees are life members of the Forum. Co-ordinators are being nominated on rotation basis from the Company to liaison with WIPS Apex Body. The Company nominates women employees to attend Annual Meet and Regional Meet of forum. International women’s day was celebrated on 8th March 2021 at Mangaluru.



[Poster on Women empowerment was unveiled]

Persons with Disabilities Act, 1995

Your Company ensures compliance under the Persons with Disabilities Act, 1995.

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 during the year. During the Financial Year, Wage Revision for Non-Executives Employees w.e.f. 01.01.2017 was implemented as per the Memorandum of Settlement arrived between three unions and Management of KIOCL before Dy. Chief Labour Commissioner (Central) on 07.10.2020.

Recruitment, VRS & Superannuation

During the year: -

- (a) Company recruited thirteen (13) Executives in different levels;

- (b) Thirteen (13) employees separated under Voluntary Retirement Scheme; and

- (c) Fifty-Six (56) employees superannuated on attaining the age of superannuation.

Human Resource Development

During the Financial Year 2020-21, various activities were carried out as per the guidelines / instructions of Department of Public Enterprise, in the area of Human Resource Development. Management Development Program (MDP) was conducted for middle and senior level officers by NITK-Mangaluru. Various Training programs including in-house training programs, web-learning programs on various topics were carried out to enhance the skill sets of employees and to build their technical and managerial competencies. Appraisal Team Members training was also conducted as part of PCMM level-2 implementation. During the year 2247 number of mandays of training were imparted to the employees of the Company.

Particulars of Employees

Ministry of Corporate Affairs vide its notification dated June 5, 2015 exempted Government Company with the applicability of Section 197 of the Companies Act, 2013. However, the remuneration received by the employees of the Company, had 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 2020-21.

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. 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 same is also available on the Company's website.

6. 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

During the year, 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. Sitting Fees/Remuneration paid to Directors and to KMP's respectively are provided at table 14 in Corporate Governance Report.

Declaration by Independent Directors

The Company received necessary declaration from Independent Directors under Section 149(7) of the Companies Act, 2013, that they meet 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 272nd Meeting held on 27/05/2021, noted the declarations. Independent Directors of the Company have registered themselves with Independent Directors databank 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.

Independent Woman Director

In terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 17(1)(a) of SEBI (LODR) Regulations, 2015, your Company does not have Independent Woman Director on its Board. The aforesaid non-compliance is being continuously brought to the notice of Ministry of Steel for its needful action.

Changes in the Composition of the Board

Inductions / Cessations

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 appointment/cessations on the Board of your Company were effected as per the directives of the President of India: -

- Sri Shashank Priya, Additional Secretary and Financial Advisor, Ministry of Commerce & Industry 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 17.12.2020 vice Sri Vijoy Kumar Singh, Ministry of Steel who ceased to be Director on the Board of the Company w.e.f. 05.11.2020.
- Smt Sukriti Likhi, Additional Secretary and Financial Advisor, Ministry of Steel was appointed as an Additional Director and designated as Govt. Nominee Director on the Board of the Company with effect from 23.04.2021 vice Sri Shashank Priya, Ex-Additional Secretary and Financial Advisor, Ministry of Steel. Having so appointed, Smt Sukriti Likhi shall hold office till the date of ensuing Annual General Meeting by virtue of Section 160 of the Companies Act, 2013 and Sri Shashank Priya ceased to be Director on the Board of the Company w.e.f. 23.04.2021.

Appointments / Resignations of the KMP

During the year, there was no appointment / resignation of KMP. However, pursuant to Ministry of Steel Order F. No. 5/3/2017-BLA dated 30/01/2018, Sri MV Subba Rao, ceased to be the Chairman-cum-Managing Director of the Company w.e.f. 30.06.2021 on account of his retirement from the Company on attaining the age of superannuation.

Further, Ministry of Steel vide its Order F. No. 5/1/2020-BLA dated 30/06/2021 had assigned the Additional Charge of the post of Chairman-cum-Managing Director, KIOCL to Sri S.K. Gorai, Director (Finance), w.e.f. 01.07.2021 for a period of three months or till the joining of a regular incumbent or until further orders, whichever is the earliest.

Directors Retiring by Rotation

In terms of Section 152 (6) of the Companies Act, 2013, Sri T. Saminathan, Director (Commercial) and Sri K. V. Bhaskara Reddy, Director (Production and Projects) 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 eight (8) 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 Listing Regulations and Secretarial Standard -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, 2021, 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.

Annual Return

In terms of Section 92(3) of the Companies Act, 2013, the Annual Return in form MGT - 7 filed for the year 2019-20 with MCA during the FY 2020-21 is available at weblink <https://www.kiocltd.in/user/cms/371>. The Annual Return for the year 2020-21 will be filed within 60 days from the date of 45th AGM of the Company.

Statutory Auditor

The C&AG of India vide its letter dated 10.08.2020 had appointed M/s YCRJ & Associates, Chartered Accountants as the Statutory Auditor of the Company under Section 139 of the Companies Act, 2013 for the financial year 2020-21.

Cost Records and Cost Audit

The Company is maintaining the cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013. The Cost Audit Report for the Financial Year 2019-20 was filed with the Ministry of Corporate Affairs on 16/09/2020. The Cost Audit Report for Financial Year 2020-21 is under finalisation and will be submitted to the Ministry of Corporate Affairs.

Cost Auditor

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, had appointed M/s R. M. Bansal & Co., Cost Accountants to audit the cost records for the Financial Year 2021-22. The remuneration payable to the Auditor being placed before the members in the Annual General Meeting (AGM) for their ratification vide Resolution at Item No.7 of the Notice convening the AGM.

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 had appointed Sri S. Viswanathan, Practicing Company Secretary for conducting the Secretarial Audit of the Company for the Financial Year 2018-19 to 2020-21. The Secretarial Auditor Report for the Financial Year 2020-21 forms part of the Directors Report.

C&AG Audit

The Comptroller & Auditor General of India (C&AG) vide its letter dated 15.07.2021 has conveyed "NIL" comments on the accounts of the Company for the year ended March 31, 2021. Copy of the same is annexed to this Report.

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

In line with the approval of the Board at its Meeting held on 11.02.2020, the proposal for adoption of new set of Memorandum of Association and Articles of Association had been taken up with the Administrative Ministry for its approval vide Company's letter dated 11.03.2020. The approval from Ministry is awaited.

7. CORPORATE SOCIAL RESPONSIBILITY

The brief outline of the Corporate Social Responsibility (CSR) initiatives undertaken by the Company 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 and amendments. 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 on weblink <https://www.kioclltd.in/user/cms/344>.

8. KEY INITIATIVES

Environmental Management and Pollution Control Measures

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

- Increased the green cover by planting a number of trees in the plant premises and other areas. As a part of green belt development initiative, about 200 saplings of local variety were planted near the pipe line corridor area.
- About 110 saplings were donated by Pilikula Nisargadam in this year and they were planted in the Blast Furnace Unit premises. Additionally, 250 saplings have also been planted departmentally / CISF at BFU.
- The formation of concrete road taken up for a length of about 872 meters at OBL area, Pellet Plant premises to ensure dust free atmosphere. The entrance to Shed-1 is also being concreted for smooth movement of trucks and to control dust. The work is under completion stage.
- Many trees were transplanted at new site project in BFU.
- The environmental monitoring is being carried out as stipulated in the 'Consent to Operate' issued by the KSPCB.
- Company reduced emission of Green House Gases by adopting various energy conservation measures as under:
 - (a) The energy generated from roof top and ground based solar plants at Mangalore was as under: -
 - (i) Roof top solar plant at CPP = 104912 Kwh Units
 - (ii) Roof tops solar plant at BFU = 391096 Kwh Units
 - (iii) 1MW ground based solar system =1666958 Kwh Units.
 - (b) Purchased renewable energy of 17.87 GWh through wheeling which is 10.87% of total energy utilized in the Pellet Plant Unit, thereby saving energy cost as well as fulfilling Renewable Energy Purchase Obligation.
 - (c) Energy efficient Motors installed in place of conventional motors.
 - (d) Conventional light fittings replaced by LED Light fittings.
 - (e) Old ACs replaced with energy efficient inverter type ACs.

Safety

The Onsite emergency plan approved by Director of Factories is in existence for both PPU and BFU. The same was updated as and when there was change in plant condition as well as emergency team members. Worker's participation in Safety Management system was one of the important subjects as per the Factories Act. The Company had formed area wise safety committees. Worker's participation in these Safety Committees were ensured. The safety Committee Meetings were conducted at regular intervals.

Safety Inspections were carried out regularly by the Safety Officer along with concerned Department Engineers and Safety Committee members. The observations made during the Inspection were noted and reported to the concerned Departmental Heads for compliance. An Internal cross Departmental Safety Audit was conducted on 18.08.2020 along with a Committee formulated by Competent Authority as per Standard checklist IS:14489.

Suitable Personal Protective Equipment's were issued to all employees to protect them against work place hazards. Various Training programmes were conducted to inculcate safety consciousness and develop the human resources. Forty-five ATS trainees were given with 1800 RI classes and 13500 Man days on the job skill development training classes and 150 Technical college students were provided with one week each Internship training during the year.

National Safety week celebrations were conducted on 4th to 10th March 2021 and Productivity Week celebrations were conducted from 12th to 18th February 2021. The Onsite Emergency Mock drills were also conducted in Pellet Plant Unit and Blast Furnace Unit, to check the emergency preparedness for any major accident.



[50th National safety week celebration from 4th to 10th March 2021]

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.

Implementation of Official Language Policy



[KIOCL received Special Commendation Award by TOLIC (PSU), Bengaluru for Official Language Implementation]

Rajbhasha Department of the Company is entrusted with the responsibility of ensuring compliance of the Official Language Act, 1963. During the year, Rajbhasha Department scheduled Official Language Implementation Committee Meetings, organised workshops & conducted Official Language inspections as per targets of the Annual Program 2020-21 of Department of Official Language (Ministry of Home Affairs).

Employees of the Company made their significant presence during online workshops and other virtual activities conducted under the aegis of TOLIC (PSU), Bengaluru & Mangaluru.

As a remarkable initiative the Rajbhasha Department prepared its first Rajbhasha E- House Magazine 'Srigandha' during lockdown period utilising creative use of work from home duration and inaugural issue was formally released during Hindi Pakhwada, 2020. The magazine was circulated through Email & WhatsApp. The link of the e-magazine was also provided on the website of the company and web-portal of Official Language Department (Ministry of Home Affairs) under E-Pustakalay segment.

The Company was awarded a citation as an appreciation by TOLIC (PSU), Bengaluru; based on the recommendation

of the evaluation committee, to retain the first prize awarded in the last two years of outstanding performance in the implementation of Official Language.

Vigilance

Preventive vigilance has been the thrust area of Vigilance Department 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 27th October to 2nd November, 2020 at all the locations/offices of the Company. Workshops, Trainings, Guest Lectures and awareness programmes were conducted during the week through web based/hybrid mode observing COVID-19 prevention guideline. E-Procurement is in vogue and the threshold value for this is fixed at ₹ 2 Lakhs and above. During the year, 95.15% contracts by value are covered under this. All payments are being made through electronic mode. During the Year, 143 work/purchase/sale orders have been issued incorporating Integrity Pact Clause, covering 98.71% of contracts by value. No complaints received under Integrity Pact. 49 Scrutiny/examinations, 44 checks/inspections carried out during the period and corrective actions suggested. Necessary action is taken as regards to the complaints received during the year. Vigilance Department conducted 13 training programmes at three different locations, covering 1930 man-hours. Topics such as Preventive Vigilance, Digital Vigilance, Indenting & Tendering procedures, Role of Technology in combating corruption and enhancing competitiveness etc. were covered. During the year, five training programs on Preventive Vigilance for Mid-Career & Induction level employees as per CVC PV training module were conducted through video conference / hybrid mode covering 1480 man-hours.



[Integrity Pledge taken in observance of Vigilance Awareness Week 2020]



Vigil Mechanism

Your 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 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 2020-21: -

The details of vigilance cases initiated / disposed-off during 2020-21 were as under: -

- No. of cases pending as on 31.03.2020 :- NIL
- No. of cases initiated during 2020-21 :- 1
- No. of cases pending as on 31.03.2021 :- 1

Nature of Pending case: -The pending case is regarding procedural lapses in procurement of medicines while on deputation to other PSU.

- Officer involved :- 1
- Charge sheet issue on :- 29.03.2021
- Disciplinary proceedings :- Yet to conclude

Audit Paras:

Audit Para No. 3.7.2.2 of Audit Report No. 2 of 2009-10, 19.1.1 of Audit Report No. 9 of 2009-10, Para No. 15.2 of Audit Report No. 8 of 2012-13 and Para No. 17.1 of Audit Report No. 13 of 2014 were dropped by C&AG during the year under review.

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. DSCE carried out the R&D work for a period of 24 months and objectives of the Project was to arrive at design specifications and identify optimum mix of fly ash, bottom ash and iron ore tailings for manufacture of geopolymer aggregates for using in Construction Industry. R&D work had been completed and final report preparation was under progress.

Collection of tailing samples, preparation and lab analysis was completed. Draft R & D report was submitted by DSCE for evaluation. Final report would be submitted to Ministry of Steel, GoI, shortly.

Implementation of Public Procurement Policy for MSEs

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

- List of item components that could be sourced from MSEs were posted on the Company's website at www.kioclltd.in for the information of MSE vendors.
- Communication 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 were approached for capturing necessary details and update the data bank.
- During 2020-21, Company placed orders for Goods & Services for a value of ₹ 14.23 crores from MSE's which constituted 33.02 % of the total procurement value of ₹ 43.09 crores (excluding raw materials, imported items, proprietary items, capital items, petroleum oil & Lubricants).



Procurement from GeM

During the Financial Year 2020-21, your Company placed 44 orders on Government e-Marketplace (GeM) amounting to ₹ 6.97 crores against ₹ 2.81 crores during the previous Financial Year.

Right to Information

Your Company had complied with the Right to Information Act, 2005 in order to provide information to citizens and to maintain accountability and transparency. The RTI manual have been hosted on Company's website and had designated Central Public Information Officers (CPIOs), Assistant Public Information Officers (APIOs) and Appellate Authorities to provide information's to the applicants. During the year Company received forty-nine (49) applications and the same were disposed-off as per the provisions of the Act.



Energy Conservation, R&D, Technology Absorption, 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 your Company have adopted a Dividend Distribution Policy, which is available on the website of the Company under weblink <https://www.kiocltd.in/user/cms/344>.

Date: 05/08/2021
Place: Bengaluru

Appreciations and Acknowledgement

Your Directors gratefully acknowledge the support, co-operation and guidance received from the Hon'ble Minister of 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, bankers, suppliers and other stakeholders for their support and co-operation.

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/-
S.K. Gorai
Chairman-cum-Managing Director (Addl. Charge)

REPORT ON CORPORATE SOCIAL RESPONSIBILITY

As a responsible Corporate Citizen, your Company continue to 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 Financial Year 2020-21, your Company had implemented various socio-economic developmental activities for the betterment of the society under Corporate Social Responsibility. The details are as under: -

CONTRIBUTION TO COMBAT COVID-19

Your Company had contributed ₹8 crores to PM CARES FUND to support and strengthen the hands of Government of India to combat and control COVID -19 Pandemic.



[Two Class Rooms constructed by KIOCL]

PROMOTION OF EDUCATION

Your Company constructed two class-rooms in Vishwaspurthi Samsthe Vidyamandir, Chorapur, Sandur. This project had benefitted around 50 students (30 Boys and 20 Girls) from rural background in nearby villages.

KIOCL also renovated school building and provided drinking water facility with Reverse Osmosis to Sai Baba Pre-University College, Taranagar, Sandur. This project benefitted around 160 students (72 Boys and 88 Girls) from rural background in nearby villages.



[Renovated School Building]



[Drinking Water Facility]



[Office cum Class-room]

Your Company constructed Office cum Class-room in Prabhudevara Vikratha Matha School (Basaveshwara Hr. Primary), Sandur. This project had benefitted around 200 students (99 Boys and 101 Girls) from rural background in nearby villages. Company also constructed toilets for Boys & Girls at Gnana Bharathi Vidyamandir, Krishna Nagar, Sandur. Under this project, KIOCL has constructed 14 Urinals, 4 toilets and two washrooms separately for usage of boys & girls. This project has benefitted around 575 students (300 Boys & 275 Girls) from rural background in nearby villages

Renovation of Anganwadi Centre at Madikeri which was destroyed due to heavy rain during 2018. This project has benefitted around 25 students from rural background. Construction of Anganwadi Building at Kandavara Village, Kinnikambla Post, Dakshina Kannada, Karnataka.

This project has benefitted around 30 students from rural background.

SANSAD ADARSHA GRAM YOJNA

Support for Sansad Adarsha Gram Yojna at Balpa Village, Sulia Taluk. Under this project, KIOCL has constructed Class Room for Primary School Building at Gnana Mandira at Balpa Village. This project has benefitted around 100 students from nearby village & Gnana Mandira for general public of around 40 households.

Infrastructural facilities like construction of school compound, Urinals and Toilets, printer etc. at DKZP model Hr. Primary School, Moodambail, Bantwala, Mangaluru. This project has benefitted around 65 no. of students from rural background.



[Anganwadi Centre at Madikeri]



[Urinals and Toilets at at DKZP model Hr. Primary School]

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 stakeholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth.

Policies

The SEBI listing regulations 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 Articles of Association of the Company stipulate that the number of Directors shall not be less than five and not more

than thirteen. As on 31st March, 2021, the composition of Board of Directors of the Company comprises ten Directors, including four Functional Directors, two Directors nominated by Ministry of Steel and four Independent Directors. The brief profiles of Directors are available at https://www.kiocltd.in/user/board_of_directors/48.

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.

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 are required to be appointed on the Board of the Company. Your Company is regularly following-up with its administrative Ministry to fill up the vacant posts of Independent Directors.

Virtual Boardroom Platform (e-Board Software)

In order to automate the Board and Committee Meeting processes and makes Meetings more efficient and cost effective as well as to equip the Board members to have direct and secured access to the data as well as the convenience to communicate anytime and anywhere, the Company had provided 'virtual Boardroom platform (e-Board Software) for conducting digital Board Meetings.

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 Chairmen of more than five Committees across all the Companies, in which they are Directors.

The composition of Board of Directors and their attendance to various Meetings during the Financial Year 2020-21 is given in Table1.

Table 1: Composition & Attendance Record of the Board Meetings

Name of Director (S/Sri)	Category	Attendance / Total Meetings	Whether attended last AGM (Yes/No)	Number of Committees#		Shareholding (Equity shares of ₹ 10/- each)	No. of Directorships in other public companies as on 31.03.2021	Name of other Listed Co.'s in which Directorship as on 31.03.2021	Category of Directorship in other companies
				Member	Chairman				
M.V. Subba Rao (DIN 06495576)	E X	8/8	Yes	--	--	NIL	--	--	--
S.K. Gorai (DIN 07223221)	E C U	8/8	Yes	--	--	NIL	--	--	--
T. Saminathan (DIN 08291153)	T I	8/8	Yes	2	--	NIL	--	--	--
K V Bhaskara Reddy (DIN 08672764)	V E	8/8	Yes	1	--	200	--	--	--

Name of Director (S/Sri)	Category	Attendance / Total Meetings	Whether attended last AGM (Yes/No)	Number of Committees#		Shareholding (Equity shares of ₹ 10/- each)	No. of Directorships in other public companies as on 31.03.2021	Name of other Listed Co.'s in which Directors holds Directorship as on 31.03.2021	Category of Directorship in other companies
				Member	Chairman				
Vijoy Kumar Singh* ¹ (DIN 00592638)	NON EXECUTIVE	5/5	No ³	--	--	NA	NA	--	--
Shashank Priya * ² (DIN 08538400)		1/1	NA	--	--	NIL	7	1. NMDC Limited 2. Steel Authority of India Limited 3. H.M.T. Limited 4. MMTC Limited 5. The State Trading Corporation of India Limited 6. Bharat Heavy Electricals Limited	G O V T · N O M I N E E
T. Srinivas * (DIN 07238361)		8/8	No ³	--	--	NIL	1	1. MOIL Limited	
Jagdish P. Joshi (DIN 03385677)		8/8	Yes	1	1	NIL	--	--	--
Nirmalendu Mohapatra (DIN 07352648)	INDEPENDENT	8/8	Yes	--	--	NIL	--	--	--
Ranjit Sreenivas (DIN 08539909)		8/8	Yes	2	--	NIL	--	--	--
G Ramasamy (DIN 08632590)		8/8	Yes	1	1	NIL	--	--	--

Notes:

#Chairmanship and membership of Audit and Stakeholder Relationship Committee in KIOCL Limited only are considered.

* Nominees of Govt. of India (Non-Executive & Non-Independent Directors).

1. Sri Vijoy Kumar Singh ceased to be Director w.e.f. 05/11/2020 vide Ministry of Steel's Letter No.1/16/2015-BLA dated 14/12/2020. Sri Singh was granted leave of absence for 269th Board Meeting held on 11/11/2020, however Sri Singh ceases to be Director on the Board of the Company with retrospective effect. Accordingly, LOA granted at 269th Board Meeting was not considered for the purpose of calculating attendance at the Board Meeting.

2. Sri Shashank Priya was appointed as Govt. Nominee Director w.e.f. 17/12/2020 vide Ministry of Steel's Letter No.1/16/2015-BLA dated 17/12/2020. Further, Sri Shashank Priya, Government Nominee Director ceased to be on Board of the Company w.e.f. 23/04/2021 as intimated by Ministry of Steel vide its letter no. 1/16/2015-BLA dated 23/04/2021.

3. Due to Pre-Occupation, Sri Vijoy Kumar Singh and Sri T. Srinivas did not attended the 44th AGM of the Company held on 29/09/2020.

Details 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.	264 th	18/05/2020	-
2.	265 th	25/06/2020	37
3.	266 th	10/08/2020	45
4.	267 th	09/09/2020	29
5.	268 th	19/10/2020	39
6.	269 th	11/11/2020	22
7.	270 th	16/12/2020	34
8.	271 st	09/02/2021	54

Due to the exceptional circumstances caused by the COVID-19 pandemic all Board Meetings in FY 2021 were held through Video Conferencing. The intervening gap between the Meetings

were 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 Independent Directors of the Company are nominated for suitable training / programmes / seminars / plant visit from time to time. During the year under review, Independent Directors were nominated to familiarization program conducted by the Indian institute of Corporate Affairs at Goa. The details of the familiarization programmes imparted to Independent Directors is available on Company website at weblink <https://www.kioclltd.in/user/cms/360>.

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. 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 Listing Regulations.

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 placed before the subsequent Meetings of the Board and were recorded in the Minutes of the Board 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. Independent Directors of the Company have registered themselves with Independent Directors databank 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 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

A "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 SEBI (Prohibition of Insider Trading) Regulations, 2015 is in vogue in the Company and is available on Company website.

Director Shareholding

Except, Sri K.V. Bhaskara Reddy, Director (Production & Projects) who was holding 200 equity shares of the Company since 1996, none of your Director was having any shareholding in the Company as on March 31, 2021.

Committees of the Board

The Board constituted / reconstituted various Sub-Committees of Directors. These Committees monitor the activities falling within their terms of reference. There are six Board Sub-Committees as on March 31, 2021, which comprises five statutory Committees and one other non-statutory Committee. All Committee Meetings in FY 2021 were held through Video Conferencing, 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 and Monitoring Committee.

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 of meetings which were held during the Financial year 2020-21 are given at Table 3.

Table 3: Meeting of Audit Committee

Sl. No.	Meeting No.	Date of Meeting	Intervening Gap
1	104 th	30/05/2020	-
2	105 th	25/06/2020	25
3	106 th	10/08/2020	45
4	107 th	11/11/2020	92
5	108 th	09/02/2021	89
6	109 th	26/03/2021	44

The Composition of the Committee as on March 31, 2021 and the attendance of the members at the Meetings are given at Table 4. Director (Finance) is the permanent invitee to the Audit Committee meetings.

Table 4: Composition and Attendance Record of Audit Committee

Name of Director (S/Sri)	Category	Attendance
Jagdish P. Joshi, Chairman	Independent Director	6/6
Ranjit Sreenivas, Member	Independent Director	6/6
G. Ramasamy, Member	Independent Director	6/6
T. Saminathan, Member	Functional Director	6/6

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.

Composition of the Committee

The Committee 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 5 and the attendance of the members is given at Table 6 respectively:

Table 5: Nomination and Remuneration Committee Meetings

Sl. No.	Meeting No.	Date of Meeting	Intervening Gap
1	31 st	18/05/2020	-
2	32 nd	17/08/2020	90
3	33 rd	10/11/2020	84
4	34 th	08/02/2021	89

Table 6: Composition and Attendance of Nomination & Remuneration Committee

Name of Director (S/Sri)	Category	Attendance
Nirmalendu Mohapatra, Chairman	Independent Director	4/4
Jagdish P. Joshi, Member	Independent Director	4/4
G. Ramasamy, Member (w.e.f. 18/05/2020)	Independent Director	3/3
M.V. Subba Rao, Member	CMD	4/4

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 2020-21 are given at Table 7.

Table 7: Corporate Social Responsibility Committee Meeting

Sl. No.	Meeting No.	Date of Meeting	Intervening Gap
1	20 th	18/05/2020	-
2	21 st	24/06/2020	36
3	22 nd	08/02/2021	228

The composition of the CSR Committee and the attendance of the members at the Meeting are given at Table 8.

Table 8: Composition and Attendance Record of CSR Committee Meetings

Name of Director (S/Sri)	Category	Attendance
Nirmalendu Mohapatra, Chairman	Independent Director	3/3
S.K. Gorai, Member	Director (Finance)	3/3
K.V. Bhaskara Reddy, Member	Director (P&P)	3/3

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.
4. 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 Stakeholders Relationship Committee Meeting is given at Table 9.

Table 9: Composition and Attendance of Stakeholders Relationship Committee Meetings*

Name of Director (S/Sri)	Category	Attendance
G. Ramasamy, Chairman (w.e.f. 18/05/2020)	Independent Director	1/1
Jagdish P. Joshi, Member	Independent Director	1/1
Ranjit Sreenivas, Member	Independent Director	1/1
T. Saminathan, Member	Director (Commercial)	1/1
K.V. Bhaskara Reddy, Member	Director (Production and Projects)	1/1

Note: *The Board at its 264th Meeting held on 18/05/2020 reconstituted the Stakeholders Relationship Committee.

Company Secretary is the Compliance Officer of the Company. There was no grievance 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 of meetings which were held during the Financial year 2020-21 are given at Table 10.

Table 10: Stakeholders Relationship Committee Meetings

Sl. No.	Meeting No.	Date of Meeting	Intervening Gap
1	3 rd	08/02/2021	-

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:

1. Review and monitoring the Risk Management Policy, Risk Management Plan and Risk Management Process of the Company from time to time.
2. Approve and inform the Board about Risk identification, Assessment, Control and Mitigation Procedure.
3. Review and monitor Cyber Security Risks.
4. Review of Project Risk Management Plan.
5. 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 11.

Table 11: Composition of Risk Management Committee and Attendance Record

Name of Director (S/Sri)	Category	Attendance
Ranjit Sreenivas, Chairman	Independent Director	1/1
S. K. Gorai, Member	Director (Finance)	1/1
T. Saminathan, Member	Director (Commercial)	1/1
K.V. Bhaskara Reddy, Member	Director (Production and Projects)	1/1
Ramagopal G, Risk Officer	Ex- Officio Invitee	1/1

The total number of Meetings along with the date on which they were held during the Financial year 2020-21 are given at Table 12.

Table 12: Risk Management Committee Meetings

Sl. No.	Meeting No.	Date of Meeting	Intervening Gap
1	3 rd	10/11/2020	-

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:

1. 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.
2. 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 31/03/2021 and the attendance of the members at the Meeting are given at Table 13.

Table 13: Composition & Attendance Record of Investment, Project Appraisal & Monitoring Committee Meetings

Name of Director (S/Sri)	Category
Jagdish P. Joshi, Chairman	Independent Director
K V Bhaskara Reddy, Member	Director (Production and Projects)
S.K Gorai, Member	Director (Finance)
T Saminathan, Member	Director (Commercial)

During the period under review, there was no Meeting of Investment, Project Appraisal & Monitoring Committee.

Separate Meeting of Independent Directors

In pursuance to Regulation 25(3) of the SEBI (LODR) Regulations, 2015, the 7th Meeting of Independent Directors was held once during the year on 20/02/2021 at New Delhi 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 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 was necessary for the Board to effectively and reasonably perform their duties.

Ministry of Corporate Affairs vide notification dated 5th July, 2017 had 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 being 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 and KMP

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 and conditions of the appointment of Directors, including the period of appointment.

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

Independent Directors

Independent Directors were paid sitting fee of ₹ 20,000/- per Meeting of the Board and ₹ 15,000/- per Meeting of the Committee of the Board attended till 11.11.2020 thereafter ₹ 18,000 per Meeting as approved by Board at its Meeting held on 11.11.2020 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. There was no payment of commission to

the Board of Directors nor any stock option scheme offered to them during the year.

Table 14: The details of Remuneration / Sitting Fees paid to Directors and Key Managerial Personnel (KMP) during the year 2020-21:

(₹ in Lakh)

Director / KMP (S/Sri)	Designation	Salary	Perquisites	Sitting fees	Total
MV Subba Rao	Chairman-cum-Managing Director	50.25	7.49		57.74
S K Gorai	Director (Finance)	40.23	5.98	-- NA --	46.21
T Saminathan	Director (Commercial)	37.98	5.66		43.64
KV Bhaskara Reddy	Director (P & P)	42.25	2.59		44.84
Jagdish P Joshi	Independent Director	Not Applicable		3.37	3.37
N Mohapatra	Independent Director	Not Applicable		2.71	2.71
Ranjit Sreenivas	Independent Director	Not Applicable		2.89	2.89
G Ramasamy	Independent Director	Not Applicable		3.22	3.22
Pushp Kant Mishra	Company Secretary	18.62	-	-- NA --	18.62

Annual Return

In terms of Section 92(3) of the Companies Act, 2013, the Annual Return in form MGT - 7 filed for the year 2019-20 with MCA during the FY 2020-21 is available at weblink <https://www.kioclltd.in/user/cms/371>. The Annual Return for the year 2020-21 will be filed within 60 days from the date of 45th AGM of the Company.

Adequacy of Internal Financial Controls w.r.t 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

During the year under review, no significant and material

orders passed by the Regulators or Courts or Tribunals that impact the going concern status and company's operations in future.

Reporting of frauds by Auditors

During the year under review, neither the Statutory Auditors nor the Secretarial Auditor have reported to the Audit Committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its Officers or Employees, the details of which would need to be mentioned in the Board's report.

CEO and CFO Certification

As required by Reg. 17(8) and Part B of Schedule-II of Listing Regulations, 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 during the Year.

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
29/09/2020	44 th	KIOCL Limited, II Block Koramangala through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM")	12:00 Noon	Approval to deliver document through a particular mode as may be sought by the member

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		

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

No Special Resolution is proposed to be conducted during the 45th AGM.

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	30/06/2020	30/09/2020	31/12/2020	31/03/2021
Date of Publication	11/08/2020	13/11/2020	11/02/2021	28/05/2021
Name of Newspapers				
English	Business Line and Business Standard	Business Line and Business Standard	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. The notice alongwith dates of Board Meetings to adopt financial results and date of Annual General Meeting etc., were 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 ₹ 1.64 per share was recommended for the approval of shareholders by the Board in its Meeting held on 27.05.2021 and the same will be paid through Electronic mode of payment.

Distribution of Shareholding as on March 31, 2021

No. of shares held	No. of holders	% to holders	No. of Shares	% to equity
1	769	5.32	769	0.00
2-10	2,039	14.11	13,722	0.00
11-50	3,872	26.80	1,25,698	0.02
51-100	2,913	20.16	2,59,770	0.04
101-200	1,854	12.83	3,10,135	0.05
201-500	1,660	11.49	5,88,566	0.10
501-1000	662	4.58	5,19,863	0.09
1001-5000	585	4.05	12,78,166	0.21
5001-10000	43	0.30	3,08,785	0.05
10001 and above	50	0.35	60,43,45,622	99.44
Total	14,447	100.00	60,77,51,096	100.00

General Shareholders Information



[View of 44th Annual General Meeting held on 29-09-2020 through Video-Conference]

Annual General Meeting for the Financial Year 2020-21

Day and Date	Wednesday, 15 th September, 2021
Time	12:00 Hrs
Venue	The Company is conducting the AGM through Video Conference / Other Audio-Visual Means (VC/OAVM) pursuant to the MCA Circular dated 5 th May, 2020 and 13 th January, 2021 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

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 had been paid to the above mentioned stock exchanges for the Financial Year 2021-22.

Custodial Fees to Depositories

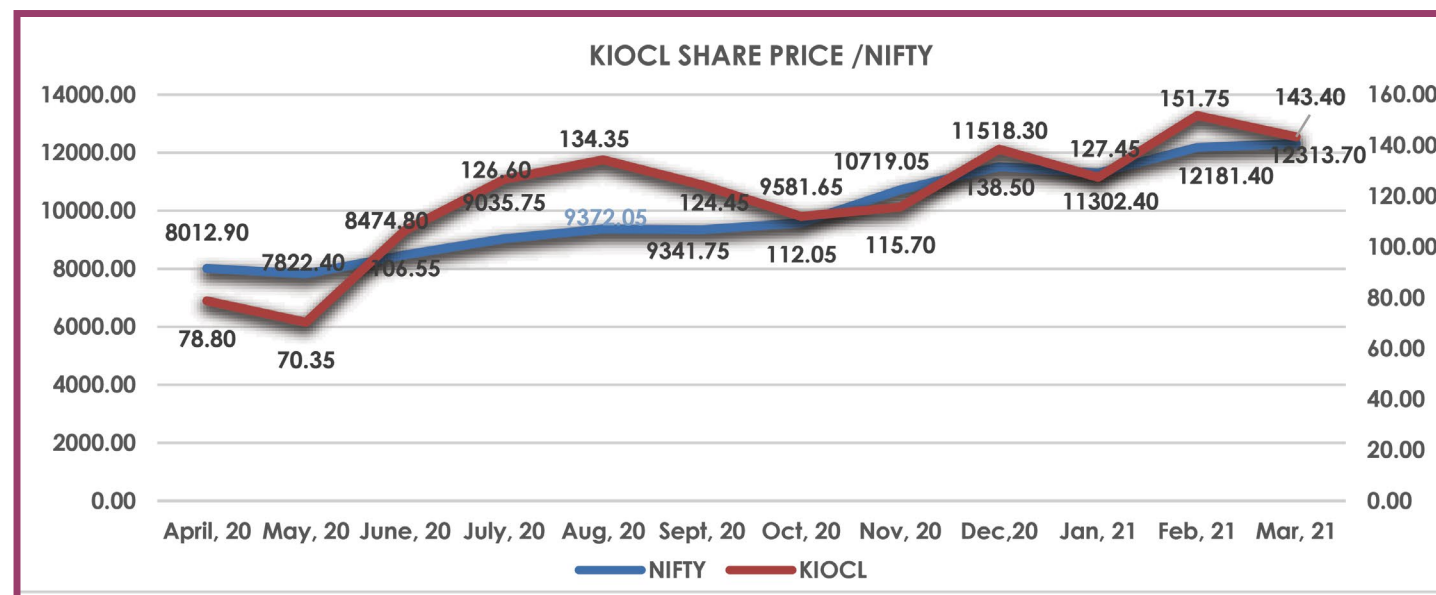
Your Company had paid Annual Custodial / Issuer Fees for the Financial Year 2021-22 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

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

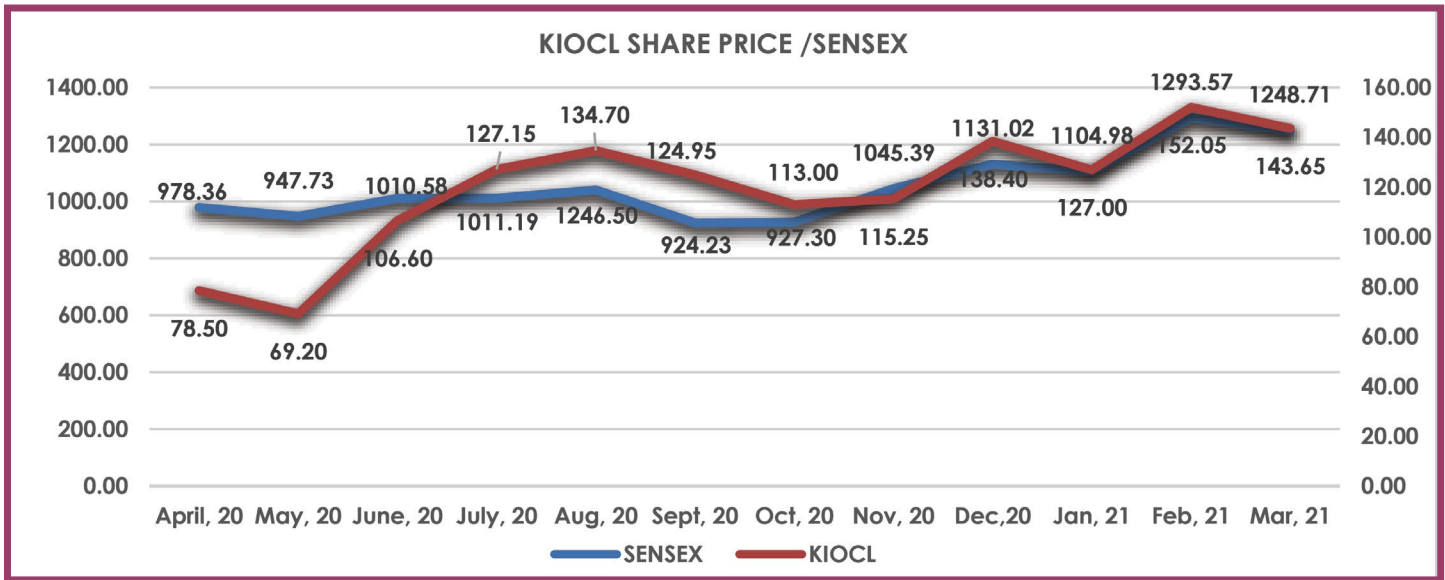
Month	NSE			BSE		
	High	Low	Closing	High	Low	Closing
April, 2020	90.50	57.70	78.80	86.75	58.20	78.50
May, 2020	82.70	67.40	70.35	80.10	66.90	69.20
June, 2020	117.00	69.05	106.55	115.25	69.20	106.60
July, 2020	128.80	97.75	126.60	127.75	95.00	127.15
August, 2020	169.50	112.70	134.35	169.50	114.00	134.70
September, 2020	141.35	111.70	124.45	141.60	112.30	124.95
October, 2020	154.40	106.60	112.05	153.65	107.50	113.00
November, 2020	122.60	107.95	115.70	122.50	108.50	115.25
December, 2020	164.80	112.00	138.50	164.65	109.70	138.40
January, 2021	148.55	123.00	127.45	148.35	122.10	127.00
February, 2021	157.75	124.00	151.75	157.50	124.50	152.05
March, 2021	190.65	134.25	143.40	190.05	134.20	143.65

The Company's share performance

Compared to NSE NIFTY 500



Compared to BSE CPSE SENSEX



Registrars and Transfer Agents

M/s Integrated Registry Management Services Private Limited
 Regd. Office: 30, Ramana Residency,
 4th Cross, Sampige Road, Malleswaram,
 Bengaluru – 560003
 Tel. No.: 080-23460815-818
 Email id: irg@integratedindia.in

Shareholding Pattern as on March 31, 2021

Category	No. of Shares	Demat Mode	Physical Mode	% of Holding
Central Govt.	60,18,77,627	60,18,77,627	0	99.03
Mutual Funds/UTI	52,504	52,504	0	0.01
Financial Institutions/Banks	0	0	0	0.00
Foreign Portfolio Investors	0	0	0	0.00
Insurance Companies	8,53,804	8,53,804	0	0.14
Bodies Corporate	2,23,969	2,23,669	300	0.04
Resident Indians & others	47,43,192	46,96,386	46,806	0.78
Total	60,77,51,096	60,77,03,990	47,106	100.00

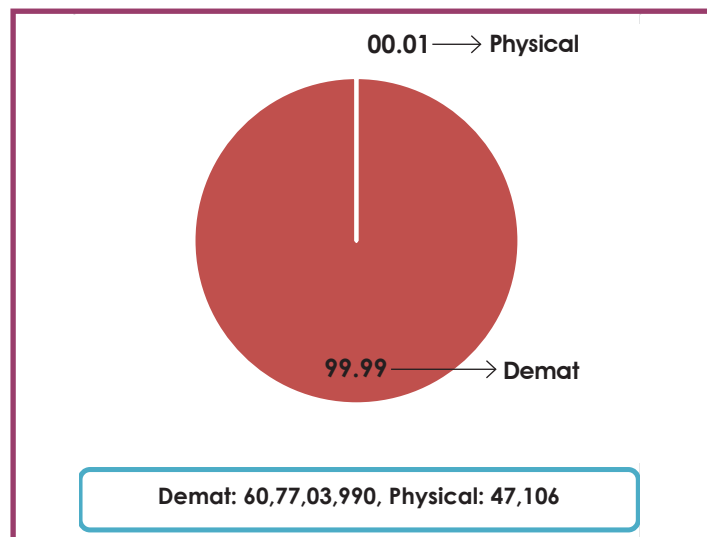
Top ten equity shareholders (Other Than Promoters) as on March 31, 2021:

Name of Shareholder	Shareholding at the end of the year	
	No. of Shares	% of total shares of the Company
1 The New India Assurance Company Limited	7,30,300	0.12
2 Kunal Ahuja	4,34,487	0.07
3 The Oriental Insurance Company Limited	1,23,504	0.02
4 Lalitha Mahalingam	1,18,809	0.02
5 Prashant Tandon	1,16,732	0.02
6 Magnum Bond Fund 1994	52,504	0.01
7 Desai Ashish	49,442	0.01
8 Dharam Chand Baheti	42,745	0.01
9 HDFC Securities Ltd	36,970	0.01
10 Sonal Amrit Gandhi	36,000	0.01

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, 2021, 99.99% of the Company's total paid up capital representing 60,77,03,990 share was in dematerialized form and balance 47,106 shares was in physical form.

To eliminate various 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.

Transfer of Securities held in Physical mode - Clarification

SEBI vide its Press Release PR No.: 12/2019 dated March 27, 2019 clarified regarding Transfer of securities held in physical mode. SEBI, on March 28, 2018, decided that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository. This measure has already come into effect from April 01, 2019. However, later SEBI extended the cut-off date to 31st March, 2021 for the purpose of re-lodgment for transfer of shares in physical which were earlier rejected due to in-complete documents or for some other purpose. Further, as clarified by SEBI:

1. Investor's still have the option of holding shares in physical form even after April 01, 2019.
2. Any investor desirous of transferring shares (which are held in physical form) after April 01, 2019 can do so only after the shares are dematerialized.

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 - 560034
Tele/fax: 080-25531525
E-mail: cs@kioclltd.in

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 2012-13 (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 31/03/2021 and their corresponding shares would become eligible to be transferred to the IEPF on the dates mentioned as:

Dividend for the year	Type of Dividend	Account No.	Dividend per Share (₹)	Date of Declaration	Due date for transfer to IEPF	Unclaimed amount (in ₹)
2013-14	Final	0693103000000107	0.13	06.09.2014	12.10.2021	5,799.82
2014-15	Final	0693103000000116	0.10	07.09.2015	13.10.2022	4,213.00
2016-17	Interim	0693103000000125	0.11	24.01.2017	01.03.2024	4,197.27
2016-17	Final	0693103000000134	0.26	31.08.2017	06.10.2024	13,870.74
2017-18	Interim	0693103000000143	0.27	19.03.2018	24.04.2025	15,930.27
2017-18	Final	201002713091	0.79	31.08.2018	06.10.2025	43,214.58
2018-19	Final	201003694672	1.33	03.09.2019	09.10.2026	58,460.15
2019-20	Final	201004395400	0.70	29.09.2020	04.11.2027	31,983.00

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 (₹)
2012-13	Final	30/08/2013	13/10/2020	35,191.00
2011-12	Final	21/06/2012	25/07/2019	102,963.00
2010-11	Final	06/08/2011	03/10/2018	6,405.00
2010-11	Interim	14/01/2011	09/01/2018	855.00

Shares Transferred to IEPF

During the year, the Company transferred 3,010 shares on 28.10.2020 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 Pushp Kant 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.in, Tele/fax: -080-25531525

Participation and voting at 45th AGM

Pursuant to the General Circular numbers 20/2020, 14/2020, 17/2020, 39/2020 and 02/2021 issued by the Ministry of Corporate Affairs and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 issued by SEBI, the 45th AGM of the Company will be held through video-conferencing and other audio-visual means, the detailed instructions for participation and voting at the Meeting is available in the notice of the 45th AGM.

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 45th 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 08/09/2021.

- 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 & 13th January, 2021 read with SEBI Circular dated 12th May, 2020 & 15th January, 2021 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 due to the ongoing 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.

Financial Calendar for 2021-22 (Tentative)

1 st Quarter ending June 30, 2021	on or before 14/08/2021
2 nd Quarter ending September 30, 2021	on or before 14/11/2021
3 rd Quarter ending December 31, 2021	on or before 14/02/2022
4 th Quarter ending March 31, 2022	on or before 30/05/2022
AGM for the year 2021-22	on or before 30/09/2022

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 09.09.2021 to 15.09.2021 (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

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:

	Particulars	Details
A.	Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large	No transactions were entered into with Related Parties as defined under the Act and Para A of Schedule V of the Listing Regulations, during the Year which attract the provisions of Section 188 of the Act, 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	<p>Stock Exchange(s) imposed penalty for non-compliance of Regulation 17(1) of Listing Regulations with regard to composition of the Board w.e.f. 30.09.2018 to 31.03.2021 and non-compliance of Regulation 18(1) from 26.03.2019 to 05.08.2019 in compliance with SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated 22.01.2020 read with erstwhile SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2018/77 dated 03.05.2018.</p> <p>The Board noted the same 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 appointment of Independent Directors on the Board of KIOCL is done by the Government of India.</p> <p>Against our applications made to Stock Exchanges, BSE has waived-off the penalty levied on the Company from quarter ending Sept.'18 to quarter ending Dec.'20 for non-compliance under regulation 17 & 18 of SEBI (LODR) Regulations, 2015.</p> <p>Further, the Company is continuously taking up with Ministry of Steel for filling the vacant post of Independent Directors including woman Independent Director.</p>

	Particulars	Details
C.	Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel have been denied access to the audit committee	Whistle Blower Policy duly approved by the Board is hosted on Company website and no personnel have been denied access to the Audit Committee.
D.	Details of compliance with mandatory requirements and adoption of the non-mandatory requirements	Complied
E.	Web link where policy for determining 'material' subsidiaries is disclosed	Not Applicable
F.	Web link where policy on dealing with related party transactions	https://www.kioclltd.in/user/cms/90
G.	Disclosure of commodity price risks and commodity hedging activities.	Not Applicable
H.	Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).	Not Applicable
I.	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.	Certificate from a Company Secretary in Practice is annexed to the Board's Report.
J.	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.	Not Applicable
K.	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.	Total fees paid for all services to the statutory auditors amounts to ₹ 11.90 lakhs including reimbursement, audit, taxation and other services fees.
L.	Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013	Disclosures forms part of the Board's Report.

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 Directors post including One Woman Independent Director is lying vacant.

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

A.	The Board 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.	Company is having Executive Chairman.
B.	Shareholder Rights 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.	Results are placed on the Company website and published in leading newspapers.

C.	Modied opinion(s) in Audit Report	Statutory Auditors have given unmodified opinion on the financial results for the period ended on 31 st March, 2021 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.
D.	Reporting of Internal Auditor	Internal Auditor reports to the Audit Committee.

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 – The second largest Steel Producer

India was the world's second-largest steel producer with production standing at 99.60 million tonnes (MT) during 2020, down by 10.60% in comparison to 2019. India was also the third largest producer of coal and fourth largest producer of iron ore during 2020. The Indian steel industry had entered into a new development stage, post de-regulation and is riding high on the resurgent economy with rising demand for steel. India was also the largest producer of Sponge Iron or DRI in the world and was the 2nd largest finished steel consumer in the world during 2019.

India's finished steel consumption grew at a CAGR of 5.2% during 2016 to 2020 to reach 100 MT. The National Steel Policy, 2017 envisaged 300 million tonnes of production capacity by 2030-31. The per capita consumption of steel had increased from 57.6 kgs to 74.1 kgs during the last five years. The Government has fixed objective of increasing rural consumption of steel from the current 19.6 kg/per capita to 38 kg/per capita by 2030-31. Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors.

India's current steel producing capacity is 140 mtpa and the figure is anticipated to rise to 300 mtpa by 2030-31. The growth in the Indian steel sector was driven by domestic availability of raw materials such as iron ore and cost-effective labour. Consequently, the steel sector had been a major contributor to India's manufacturing output. The Indian steel industry is modern with state-of-the-art steel mills. It has always strived for continuous modernisation of older plants and up-gradation to higher energy efficiency levels. India holds a fair advantage in production and conversion costs in steel. Its strategic location enables export opportunities to developed as well as fast-developing Asian markets. India produces about 95 minerals 4 fuel-related minerals, 10 metallic minerals, 23 non-metallic minerals, 3 atomic minerals and 55 minor minerals (including building and other minerals). Rise in infrastructure development and automotive production were driving growth. Power and cement industries were also aiding growth for the sector. Demand for iron and steel is set to continue given the strong growth expectations for the residential and commercial building industry.

Outbreak of COVID-19 Pandemic during January 30, 2020 has caused irreparable damage to the people and economy of the country. Union Government was forced to declare nationwide lock down during March 2020 to contain the spread of virus, with localized containment measures extended to April 2021 in some states in the latest announcement. Prior to March 24, 2020 announcement, numerous containment measures had already been imposed with varying intensity across

the country. The economic impact of COVID-19 had been substantial and broad-based. GDP contracted sharply in Q2 of 2020 (-24.4 percent year-on-year) due to the unprecedented lockdowns to control the spread of COVID-19. The contraction moderated to -7.5 percent year-on-year in Q3 of 2020, with growth returned to positive territory in Q4 of 2020, at 0.4 percent. The National Statistical Office released the second advance estimate for FY:2020-21 GDP growth to be -8%, in line with the January WEO projection. The Government's crisis response had mitigated the damage, with a fiscal stimulus of 20 trillion rupees, almost 10 percent of GDP. The domestic steel demand in India had recovered in the past three months and was back at the pre-COVID levels largely due to an increase in demand from automotive and white goods.

Steel Demand Scenario

Though the demand for steel from the construction segment remained low, it was also likely to recover post monsoons. With higher steel prices and lower coking coal prices, margins of primary steel producers in India remained strong and there were signs of domestic steel demand recovering gradually in the country. The report also highlights that India's finished steel consumption was recovering gradually, after witnessing 85 percent YoY decline in April 2020. At the same time domestic consumption had been improving gradually, supported by the unlocking of the economy post lockdown in the month of March 2020.

Domestic Steel Production

Domestic steel production had also been on the rise due to improved capacity utilization. The crude steel production had been improving in line with domestic demand, following 64 percent YoY decline to 3.1 metric tonne in April 2020. It improved by 5 percent MoM to 8.5mt in August 2020 and was down just 4 percent YoY, supported by higher exports. Interestingly, India turned to a net exporter of steel during April-August 2020 with net exports of 4.0mt vs net imports of 0.9mt during same period in the previous year. However, with improving domestic demand and higher steel prices, domestic producers have lowered exports. It was expected that there may be a dip in steel exports in the coming months. It was reported that India had turned net exporter of steel to China for the first time in several years, with 69 percent of semi-finished steel and 28 percent of finished steel exported between April and August 2020.

Ministry of Steel's initiative

The Steel Ministry had proposed incentives of around ₹ 3,345 crore to boost the domestic production of various grades of steel that were largely imported to meet the local shortfall. While few sectors, such as automotive and domestic appliances, were showing encouraging signs of demand revival, going forward, infrastructure, construction, and real estate would play a crucial role in further driving demand. Larger steel players

had made good progress on the digital front with technologies such as the digital twin of a blast furnace for the optimization of operations in real time, but smaller units were still lagging behind and need to adopt digitization as a key driver for sustainable growth.

India's economic recovery and Pandemic

The scars left by the first wave of the COVID-19 pandemic have hardly healed and India is already facing a nastier second round of infections. The resurgence of COVID-19 cases had not only posed a fresh challenge to the healthcare system but had also battered economy that had hardly recovered after exiting a recessionary phase a few months ago. This second wave could not have hit country at a worse time. It had disrupted hiring plans of corporates, increased business uncertainty and crippled operations. All of these factors could aggravate problems for India's working class, especially low-income earners and migrant labourers.

India's economic recovery path had been disturbed by the second wave of pandemic. The second wave of COVID-19 infections is credit-negative and poses threat to economic recovery in India. The second wave of infections presents a risk to growth forecast as the reimposition of virus management measures would curb economic activity and would dampen market and consumer sentiment. However, given the focus on "micro-containment zones" to deal with the current wave of infections, as opposed to a nationwide lockdown, the impact on economic activity may be less severe than that seen during 2020.

The Gross Domestic Product (GDP) was likely to grow in double digits in 2021 given the low level of activity in 2020. The International Monetary Fund (IMF) had upgraded its FY:22 growth projection for India to 12.5% from 11.5% estimated in January but cautioned that the forecast hasn't factored in the severe downside risks arising from the country's ongoing second wave of COVID-19.

Despite the disastrous impact of the pandemic on lives and livelihoods, the global steel industry was fortunate enough to end 2020 with only a minor contraction in steel demand. This was due to a surprisingly robust recovery in China, with growth of 9.1%. In the rest of the world steel demand contracted by 10.0%. In the coming years, steel demand may recover firmly, both in the developed and developing economies, supported by pent-up demand and Governments' recovery programmes. However, for most developed economies a return to the pre-pandemic levels of steel demand would take a few years.

World steel forecasts that steel demand would grow by 5.8% in 2021 to reach 1,874.0 million tonnes (Mt), after declining by 0.2% in 2020. In 2022 steel demand will see further growth of 2.7% to reach 1,924.6 Mt. The current forecast assumes that the ongoing second or third waves of infections will stabilise in the second quarter and that steady progress on vaccinations will be made, allowing a gradual return to normality in major

steel-using countries. While it is hoped that the worst of the pandemic was passing, there was still considerable uncertainty for the rest of 2021.

The evolution of the virus and progress of vaccinations, withdrawal of supportive fiscal and monetary policies, geopolitics and trade tensions could all affect the recovery envisaged in this forecast. China's economy quickly rebounded from the lockdown in late February, and almost all economic activity except retailing resumed full productivity by May, 2020. Since then, despite sporadic small, localised waves of COVID-19, economic activity has not been affected by the pandemic, unlike the rest of the world. China's steel demand is expected to grow by 3.0% in 2021. Steel demand in the developing economies is expected to show a relatively quick rebound in 2021 and 2022, with growth of 10.2% and 5.2% respectively. Steel demand in the MENA region declined by 9.5% in 2020 and is expected to recover moderately with the resumption of infrastructure investments. India suffered severely from an extended period of severe lockdown, which brought most industrial and construction activities to a standstill. However, the economy has been recovering strongly since August, much sharper than expected, with the resumption of government projects and pent-up consumption demand. India's steel demand fell by 13.7% in 2020 but is expected to rebound by 19.8% to exceed the 2019 level in 2021. The growth-oriented government agenda will drive India's steel demand up, while private investment will take longer to recover.

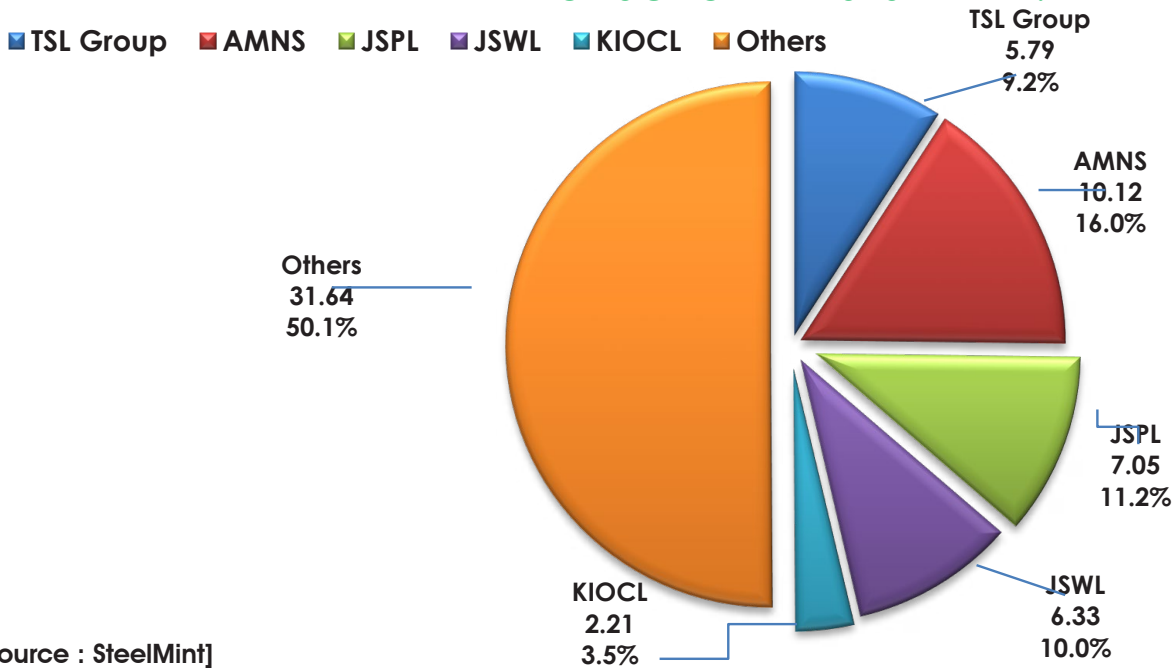
For the future, structural changes in a post-pandemic world will bring about shifts in steel demand shape. The steel industry will see exciting opportunities from rapid developments through digitisation and automation, infrastructure initiatives, re-organisation of urban centres, and energy transformation. All at the same time as the industry is responding to the need to produce low-carbon steel.

B. PELLET SCENARIO

The global Iron Ore Pellets market is anticipated to rise at a considerable rate between 2021 and 2025. In 2021, the market is expected to grow at a steady rate and with the rising adoption of strategies by key players, the market is expected to rise over the projected horizon.

The pellets industry is witnessing a structural change in demand supply scenario led by shift in iron and steel industry towards higher quality raw material. This trend is further strengthened by the Chinese government rationalisation of steel industry as well as implementation of environmental controls to reduce emissions from the local production of pig iron and sintering. On the back of these drivers, the global iron ore pellets demand is expected to register a CAGR of 4% till 2030. Further, the pellet premiums, which have recorded the highest levels last seen in 2008, are going to benefit large pellets players.

INDIAN PELLET PRODUCTION IN 2020-21 - Mt.



[Source : SteelMint]

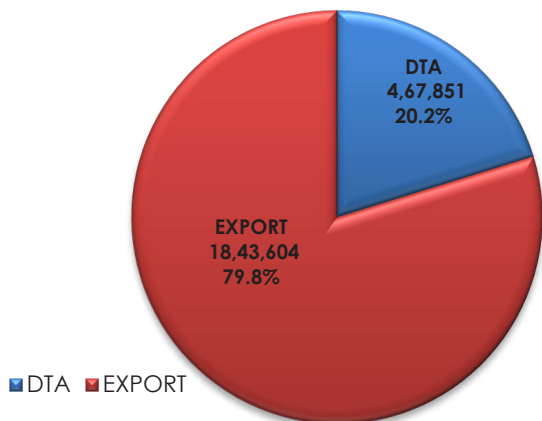
The restoration of Blast Furnace utilization rates in Europe, North Asia and North America took pellet supply away from China, reversing the trend seen earlier in 2020 when all the unwanted pellet supply was diverted to China. There was subsequently little high grade pellet availability, and China premiums bounced back strongly. India exported fewer pellets as they were needed for domestic steel consumption, particularly as there were delays in accessing mines following mining area auctions. New production capacity in Southeast Asia, along with end-users restarting operations, was also seen as a demand driver. Market sources expect stronger demand for Indian pellets in Q1 as a replacement for European high-grade Pellets, given the lack of spot availability.

The Pellet production in the Country during 2020-21 was about 63.14 million tons and KIOCL produced 2.21 million tons of Pellets. Around 50% of pellet capacity is by integrated steel mills which use pellets for captive consumption and the rest is from merchant pellet manufacturers.

Pellet Exports from India stood at about 13.255 million tons during 2020-21 as against 12.62 million tons in the previous year, up by 5% on Y-O-Y. KIOCL with export volume of 1.843 million tons achieved 13.90% of total Exports from India. However, KIOCL's export share has reduced from 15.80% in the FY: 2019-20 to 13.90% during the current FY: 2020-21. The decrease in Export volume is due to increased demand from the DTA Market and better realization in the DTA Market.

[Source : World Steel, MOS Website, Indian Steel Industry Website]

Market Share of KIOCL Pellet Sales in 2020-21 - Qty in Mt.



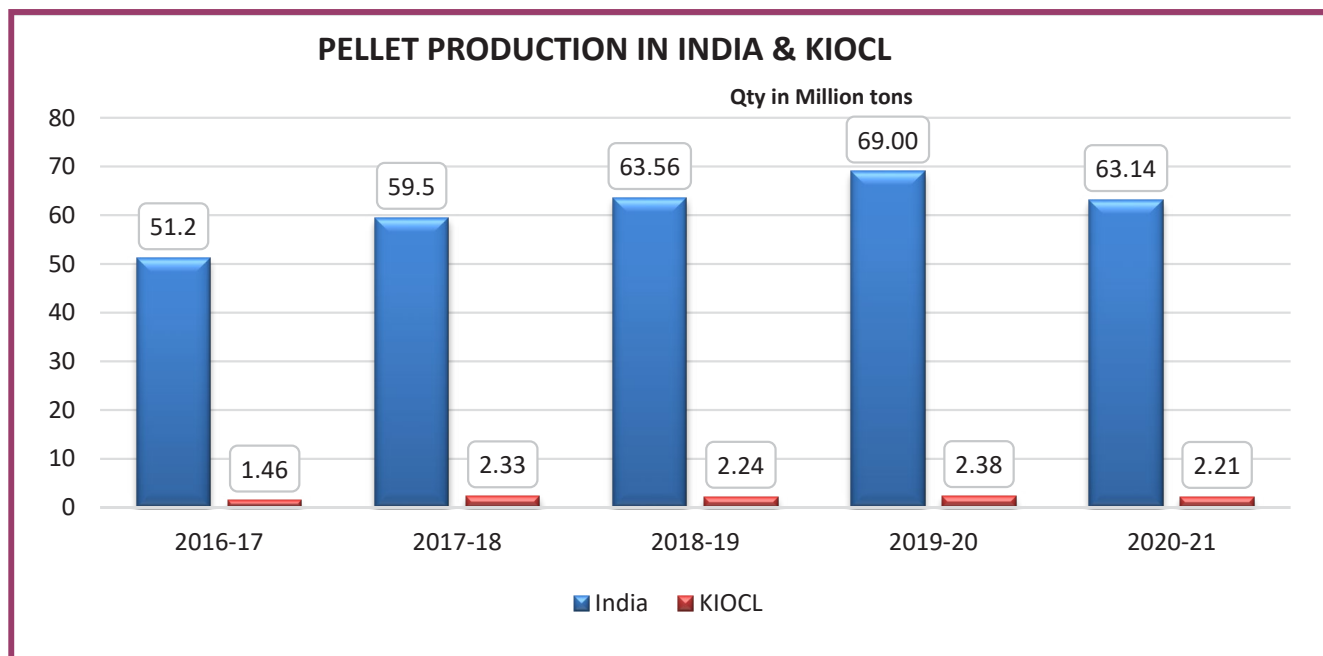
During 2020-21, KIOCL produced 2.21 Mt of pellets, dispatched 2.311 Mt of pellets. Though the production and sales figures have marginally decreased in comparison to the previous corresponding period, taking into consideration of the hurdles faced due to Covid-19 Pandemic in the Domestic and International Market, the performance of your Company is commendable. However, your Company has recorded highest ever turnover during the year 2020-21.

C. EXPANSION OF MARKET BASE

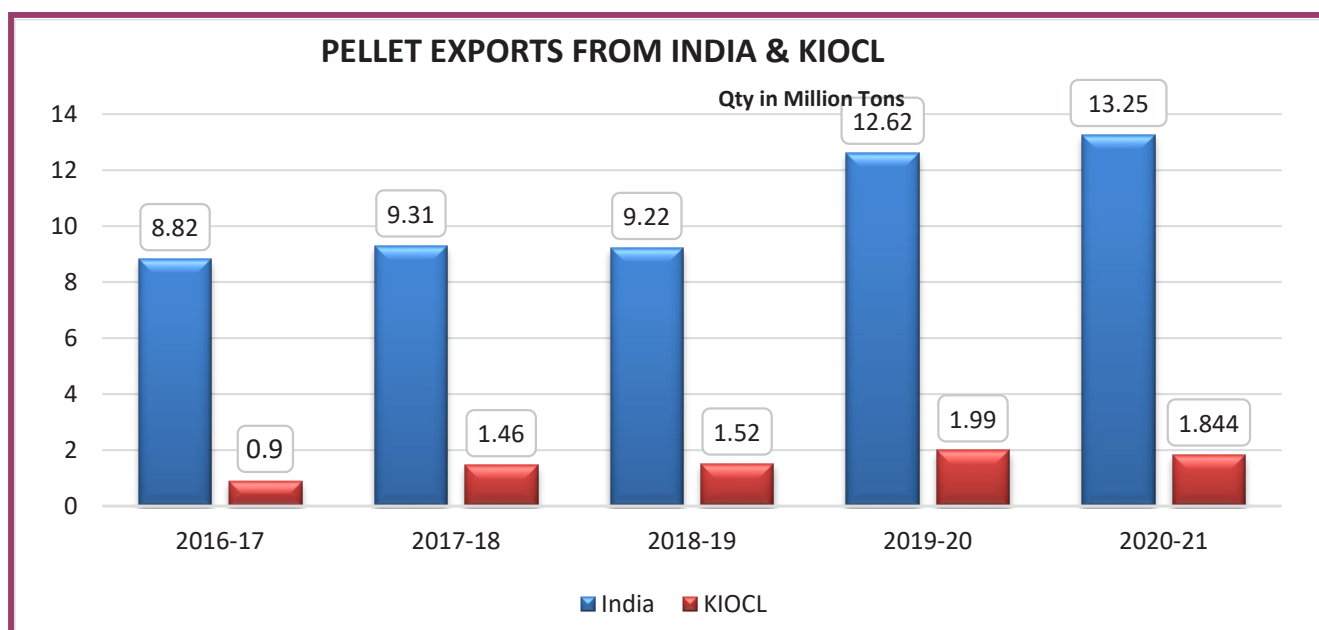
China, being the consumer of more than 50% of the iron ore produced in the world had been the major market for KIOCL pellets. However, in order to minimize the risk of overdependence, KIOCL had been actively exploring other markets for pellets like Europe, Middle East, South Korea, Brazil, Malaysia Japan etc. With a view to diversify the market

base and to avoid dependence on single market, KIOCL had been consistently making efforts to make inroads into markets other than China. Significant aspect of the dispatches during the year 2020-21 was about 56 % of the total exports made were to Steel Mills in Middle East, Bahrain, Brazil and Malaysia, in comparison with about 43% during the year 2019-20. DTA Market share has also increased from 15.55% to 20.20% during the year 2020-21

D. DOMESTIC PELLET PRODUCTION VIS-À-VIS KIOCLs SHARE



E. EXPORT OF PELLETS VIS-À-VIS KIOCLs SHARE



[Source : Ministry of Commerce & Steelmint]

F. FINANCIAL PERFORMANCE OF OPERATION

(a) The Financial performance of the Company for the year 2020-21 in brief is furnished below:

(₹ in Crores)

Particulars	2020-21	2019-20
Revenue from Operations	2383.61	1937.65
Profit /(Loss) Before Tax for the year	410.23	63.68
Profit /(Loss) After Tax	301.17	43.48

(b) Cash Flow information: - An abstract of Cash Flow statement for the year ended on 31st March 2021 is as under:

(₹ in Crores)

A) Cash and Cash Equivalents as at 01.04.2020	429.80
B) Net Cash from Operating Activities	110.55
C) Net Cash from Investing Activities	298.53
D) Net Cash used in Financing Activities	(245.07)
E) Cash and Cash Equivalent as at 31.03.2021	593.81

G. 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: -

(Qty. In Million Tons)

Year	MoU Target	Actual Production	Utilization of installed Capacity in %
2020-21	2.500	2.210	63
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

(Installed capacity of Pellet Plant is 3.500 Million Tons / Annum).

H. 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 & Manganese ore mine by Govt. of Karnataka.
- Niche Expertise
 - Expertise in handling iron ore from different sources (Magnetite/ Hematite) with different ore characteristics in pellet making.

- Expertise in Mining, Beneficiation, Pelletization & Exploration

Material Handling advantage

- Proximity to National Highway, Railway line & Port.
- Shore based Plant with dedicated berth & mechanical ship loading facility.
- Qualified, skilled and experienced manpower.
- 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 an operative captive mine since 2006.
- Due to high basic price and stiff competition, uneconomical to procure IOF from Karnataka through e-auction.
- Restriction on Export of Pellets produced out of IOF sourced from Karnataka.
- 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

- Anticipated strong growth in the Indian Steel Industry driven by the Govt. focus on manufacturing and infrastructure.
- Sustained Demand for value added products like Pellet, 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 JVs with other steel majors in India and overseas.

- A committed and active management, 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

1. Fluctuations in IOF price due to monthly pricing under LTC with NMDC.
2. Constrained development due to continuation of policy, regulatory and environmental limitations.
3. Severe competition in the Pellet Industry both in domestic and international markets.
4. Commissioning of captive pellet plants by all integrated steel plants.
5. Inflow of Pellet and high-grade lump from overseas at lower rates given global supply conditions especially with new mines scheduled to open up.
6. Volatility in raw material prices on account of policy and regulatory actions
7. Threat of substitute's viz., use of sinter or lumps in place of Pellets.
8. Highly dependent on China for selling of Pellets.

I. INTERNAL CONTROL SYSTEMS

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.

J. 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. In this direction, during the year, 2247 man-days training was provided.

Industrial Relations situation remained peaceful throughout the year. As on March 31, 2021, the Company had 746 employees on its rolls comprising of Executives including Non-Unionized Supervisors and Non-Executive Employees.

K. KEY FINANCIAL RATIOS:

Particulars	2020-21	2019-20
Current Ratio	7.34	7.90
Operating profit as a % of Revenue from Operations	13.26	(2.85)
Net Profit Margin (%)	12.63	2.24
PAT / Average Net Worth (%)	15.44	2.22
Return on Assets (%)	12.13	1.83
Return on Average Net Worth (%)	15.44	2.22
Return (EBITDA) on Average Capital Employed (%)	21.03	4.81
Market to Book Ratio	4.40	1.92

L. 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 increased by 13.22 % as compared to the previous Financial Year. The increase is on account of increase of contribution in Pellets sales.

M. FUTURE OUTLOOK

Worldsteel forecast that 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 expected to have declined by 17.1% in 2020 and steel demand in India is expected to have contracted by 18% in 2020.

[Source : World Steel & Indian Steel Industry Report]

Further, being a zero debt Company with satisfactory equity base and pool of technical manpower, your Company has envisaged 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 on execution of mining lease deed. Set up 2.0 MTPA capacity Beneficiation Plant. Set up 2.0 MTPA capacity Pellet Plant
Time Schedule	Commencement of mining activities by end of December 2021 and 24 months from the date of placement of order on the Main technological package supplier for Beneficiation Plant.
CAPEX	₹ 1500 – 2000 Crores
Status	Mine plan for the project approved by IBM. Stage I Forest clearance proposal will be placed before the Forest Advisory Committee, MoEF&CC, GoI in the ensuing meeting during May-June 2021. On receipt of Stage I forest clearance, the same will be submitted to Environmental Appraisal Committee, MoEF &CC, GoI for grant of Environment Clearance.

Setting up of Coke oven plant and 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 project is divided into various packages of Turnkey, Discrete turnkey and item rate contract for attracting the maximum bidders. Main packages like DISP Plant, Power Plant, Oxygen plant, Nitrogen plant, Pulverized Coal Injection and Blast Furnace Unit upgradation are under tendering stage. Coke Oven plant tender is at finalization stage for fixing the contractor. Tendering process is delayed due to COVID-19 pandemic, subsequent travel restrictions and changes in public procurement policy, GFR and mandatory registration of DPIIT, GoI by foreign bidders, sharing the country border.

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 GoI's National Solar Mission and also to meet the power requirement partly for plants at Mangalore, 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	₹ 24.44 Crores
Status	Plant is commissioned, pending evaluation of performance of the plant and power generation started.

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 ₹ 20.31 Crores for ERP [Est.]

Status	Barrel type blender reclaimers has been installed. Order for 04 nos. of vertical pressure filters has been placed to M/s METSO. Dismantling of part of SPF building, Civil & structural work is under process. The work order for implementation of SAP S4/HANA ERP system has been placed to M/s Tech Mahindra. Work is under progress.
Setting up of 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	As requested by M/s RINL work on base line data collection for Environment Clearance has been halted/ stopped.

N. 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 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 statement, whether as a result of new information, future events or otherwise.

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 uninterrupted 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. 3.91 lakh units of solar power generated from BFU roof top solar power plant + 1.04 lakh units from CPP roof top solar power plant in financial year 2020-21.
- 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 for the year 2020-21 is 16.66 lakh units.
- iii. 5 MWac capacity solar plant has been commissioned in the month of March 2021 at Chikkanayakanhalli, Tumkur District.

(b) Energy cost management

As part of our effort towards cutting down the cost of energy consumed, we have purchased almost 1.59% of our total energy utilized in PP Unit from IEX. Further, we opted "Special Incentive Scheme" from MESCOM which is risk free compared to IEX energy bidding resulting in a savings of ₹ 4.61 crores in the financial year 2020-21. Purchased renewable energy of 17.87 GWh (10.87% of our total energy utilised) through wheeling which saved energy cost and fulfil the energy purchase obligation. The total saving from IEX bidding and Wheeling of renewal energy is ₹ 3.145 Crores in the year 2020-21. The total saving works out to ₹ 7.75 Crores for the year 2020-21.

(c) Steps taken towards Energy conservation

- i. Purchased and installed energy efficient motors (30 Kw and 37 Kw) for Plant equipments.
- ii. LED fittings 325 Nos (street light and working area) have been replaced in place of conventional fluorescent tubes in various locations in PP Unit.
- iii. Energy efficient New Inverter type split AC's have been procured in place of conventional on-off type AC's. About 40 Old AC's are being replaced and Item has been received and replacement jobs is under progress.

(d) Investment towards Energy Conservation/impact of measures implemented

Invested:-

- ₹ 8.40 lakhs towards procurement of energy efficient motors. Additionally, indent has been raised for another 3 Nos of energy efficient Induction motors costing ₹ 11 lakhs.
- ₹ 1,30,000/- towards the procurement of energy efficient motor.
- ₹ 14.5 lakhs is being spent on ACs.

(e) Energy Management

- (a) Heat consumption is '000 K calories: -
2019-20 – 233.17
2020-21 – 240.83
- (b) Energy consumption per ton in last two years: -
2019-20 – 66.99 Kwh/T
2020-21 – 74.36 Kwh
- (c) Energy consumption in PP unit: -
2019-20 – 155.23 GWh
2020-21 – 164.34 GWh

B: TECHNOLOGY ABSORPTION

Research & Development (R & D)

- (a) There was no R & D carried out during the financial year ended 31st March, 2021.
- (b) Expenditure on R & D

(₹ in lakhs)

	2019-20	2020-21
a) Capital	Nil	Nil
b) Revenue	151.00	Nil
c) Total	151.00	Nil
d) As % of total turnover	0.07	NA

C: FOREIGN EXCHANGE EARNINGS & OUTGO

Export revenue constituted 77.45% of the total revenue from operations in FY 2021 (81% in FY 2020).

(₹ in Lakhs)

	2019-20	2020-21
Foreign exchange earned	1,57,413.03	1,84,605.96
Foreign exchange used	29,718.49	8,644.53

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

1. Brief outline on CSR Policy of the Company:

CSR is an essential ingredient of Corporate Governance. CSR is fundamentally a philosophy or a vision about the relationship of business and Society. It is the continuing commitment of business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. The emerging concept of CSR go beyond charity and requires the company to act beyond its legal obligations and to integrate social, environmental and ethical concerns into company's business process. The Public Sector Enterprises in pursuit of the triple bottom line' of people, planet and profit have to assign a high priority to the adherence of ideals of CSR. The company endeavors to make CSR for sustainable development.

The projects undertaken are within the broad framework of Schedule VII of the Companies Act, 2013. Details of the CSR policy and projects or programs undertaken by the Company are available on links given below:

CSR POLICY: - <https://www.kioclltd.in/user/cms/82>

CSR STATEMENTS: - <https://www.kioclltd.in/user/cms/84>

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Sri Nirmalendu Mohapatra	Chairman	3	3
2	Sri Swapan Kumar Gorai	Director (Finance)	3	3
3	Sri Bhaskara Reddy KV	Director (P&P)	3	3

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

COMMITTEE COMPOSITION: - <https://www.kioclltd.in/user/cms/295>

CSR POLICY: - <https://www.kioclltd.in/user/cms/82>

CSR PROJECTS: - <https://www.kioclltd.in/user/cms/84>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:

Not applicable, as the Company did not have an average CSR obligation of ten crore rupees or more in pursuance of sub-section (5) of section 135 of the Act, in the three immediately preceding Financial Years.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl No	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
-	-	NIL	NIL

6. Average net profit of the company as per Section 135(5) : ₹ 11129.44 Lakhs

7. (a) Two percent of average net profit of the company as per Section 135(5) : ₹ 222.59 Lakhs

(b) Surplus arising out of the CSR projects or programs or activities of the previous financial years :NIL

(c) Amount required to be set off for the financial year, if any : NIL

(d) Total CSR obligation for the financial year (7a+7b- 7c) : ₹ 222.59 Lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹ Lakh)	Amount Unspent (in ₹ Lakh)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
884.66 Lakhs	NIL	-	-	NIL	-

(b) Details of CSR amount spent against ongoing projects for the financial year: NIL

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project.		Project Duration	Amount allocated for the project (₹ in lakhs)	Amount spent in the current financial year (₹ in lakhs)	Amount transferred to unspent CSR account for the project as per Sec.135(6) (₹ in Lakhs)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District						Name	CSR registration number
1	-	-	-	-	-	-	-	-	-	-	-	-

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Lakhs)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1	Contribution to PM CARES FUND to support Government to combat Covid-19 Pandemic	PM CARES FUND	NA	NA	NA	800	NA	NA	NA
2	ICU Ventilator to District Authorities (Govt. Wenlock Hospital) at Mangalore	Promoting Health Care	Yes	Karnataka	Dakshina Kannada	9.6	YES	NA	NA

(d) Amount spent in Administrative Overheads: NIL
(e) Amount spent on Impact Assessment, if applicable: NA
(f) Total amount spent for the Financial Year (8b+8c+8d+:8e): ₹ 884.66 Lakhs
(g) Excess amount for set off, if any: -

Sl No	Particular	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the Company as per Section 135	222.59
(ii)	Total amount spent for the Financial Year	884.66
(iii)	Excess amount spent for the Financial Year	662.07
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous Financial Years, if any	NIL
(v)	Amount available for set off in succeeding financial years (iii)- (iv)	662.07

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl No	Preceding Financial Year	Amount transferred to Unspent CSR Account under Sec.135 (6) (₹ in lakhs)	Amount spent in the reporting Financial Year (₹ in lakhs)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (₹ in lakhs)
				Name of the fund	Amount (₹ in lakhs)	Date of transfer	
1.	2018-19	7.13	7.13	Nil	Nil	NA	NA
	TOTAL	7.13	7.13	-	-	-	-

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl No	Project ID	Name of the Project	Financial Year in Which Project is commenced	Project Duration	Total amount allocated for the project (₹ in lakhs)	Amount Spent on the project in the reporting Financial Year (₹ in lakhs)	Cumulative amount spent at the end of reporting Financial Year (₹ in lakhs)	Status of the project Completed/ Ongoing
1	-	Construction of class-rooms (2 No) in Vishwaspurthi Samsthe Vidyamandir, Choranur - Sandur, Bellary District, Karnataka	2019-20	2 Years	10	9.95	9.95	Completed
2	-	Construction of toilets at Govt. Primary School, Ranjithputra-Sandur, Bellary District, Karnataka (6 urinals & 1 toilet for girls and 6 urinals & 1 toilet for boys)	2019-20	2 Years	5.56	5.56	5.56	Completed
3	-	Renovation of school building & drinking water facility to Sai Baba Pre-University College, Taranagar - Sandur, Bellary District, Karnataka	2019-20	2 Years	9.44	9.38	9.38	Completed
4	-	Construction of class-room (1 No) in Prabhudevara Vikratha Matha School (BasaveshwaraHr.Primary), Sandur, Bellary District, Karnataka	2019-20	2 Years	11.11	10.65	10.65	Completed
5	-	Construction of toilets at Gnana Bharathi Vidyamandir, Krishna Nagar-Sandur, Bellary District, Karnataka	2019-20	2 Years	5.56	5.16	5.16	Completed
6	-	Renovation of Anganwadi Centre at Madikeri which was destroyed due to heavy rain during 2018	2019-20	2 Years	10.46	5.02	10.02	Completed
7	-	Support for Sansad Adarsha Gram Yojna at Balpa Village, Sulia Talu Construction of Class Room for Primary School Building at Nelyadka & Kenya Grama, Balpa & Construction of Gnana Mandira	2019-20	2 Years	20	17.04	21.83	Completed
8	-	Promotion of education by providing infrastructural facilities like Construction of school compound, Urinals and Toilets, at DKZP Model Hr. Primary School, Moodambail, Bantwala, Mangalore	2019-20	2 Years	4	1.77	3.97	Completed
9	-	Construction of Anganwadi Building at Kandavara Village, Kinnikambala Post, Dakshina Kannada, Karnataka	2019-20	2 Years	8.32	10.53	10.53	Completed

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl No	Project ID	Name of the Project	Financial Year in Which Project is commenced	Project Duration	Total amount allocated for the project (₹ in lakhs)	Amount Spent on the project in the reporting Financial Year (₹ in lakhs)	Cumulative amount spent at the end of reporting Financial Year (₹ in lakhs)	Status of the project Completed/ Ongoing
10	-	Promotion of education by providing infrastructural facilities like repair of school building, Urinals & toilets and Drinking water to DKZP Hr. Primary School, Padmanoor, Kinnigoli, Mangalore	2019-20	2 Years	3.62	0	0.43	Only Drinking water facility provided.
11	-	Promotion of education by providing Drinking water facility to DKZP Hr. Primary school, Baikampady (fisheries) Meenakaliya, Mangalore.	2019-20	2 Years	1	0	0.79	Completed
TOTAL					89.07	75.06	88.27	0.80

Note: Balance amount of ₹ 0.80 lakhs was spent on other Projects.

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)

(a)	Date of creation or acquisition of the capital asset(s)	NIL
(b)	Amount of CSR spent for creation or acquisition of capital asset	NIL
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not Applicable
(d)	Provide details of the capital asset (s) created or acquired (including complete address and location of the capital asset)	Not Applicable

11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5):

Not Applicable

Sd/-
(S. K. Gorai)
[Chairman-cum-Managing Director (Addl. Charge)
& Director (Finance)]

Sd/-
(N. Mohapatra)
[Chairman, CSR Committee]

BUSINESS RESPONSIBILITY REPORT 2020-21

[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 500 listed entities, based on market capitalisation (calculated as on March 31 of every Financial Year), should include a Business Responsibility Report (BRR) as part of their Annual Report. KIOCL is presenting its BRR for the Financial Year 2020-21 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 2020-21 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.in		
6	Financial Year reported	April 1, 2020 - March 31, 2021		
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Product NIC Code	Iron Ore Pellets 0710	Pig Iron 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: 6		
10	Markets served by the Company - Local/State/National/International	KIOCL serves by selling Pellets to the national market and International market across the Globe.		

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR)	₹ 607.75 Crs
2	Total Income (INR)	₹ 2477.83 Crs
3	Total Profit Before Taxes (INR)	₹ 410.23 Crs
4	Total Profit After Taxes (INR)	₹ 301.17 Crs
5	Total Spending on Corporate Social Responsibility (CSR) as percentage of net profit after tax (%)	2.94 % (i.e., ₹ 8.85 crs on PAT of ₹ 301.17crs)
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.

4. Telephone number : 080-25531150

5. e-mail id : dpp@kioclltd.in

(b) Details of the BR head

1. DIN Number (If applicable) : NA

2. Name : Shri P. K. Mishra

3. Designation : Company Secretary

4. Telephone Number : 080-25531525

5. Email Id : cs@kioclltd.in

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

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

- DIN Number : 08672764
- Name : Shri K. V. Bhaskara Reddy
- Designation : Director (Production & Projects)

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 / policies for	Y	N	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 specied 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.								

S.No.	Questions	P1	P2*	P3	P4	P5	P6	P7	P8	P9
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

*The products of Company are not end products, as such there is no policy on product life cycle

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 2020-21 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-dened 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 2020-21

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	-	-
Vendor	-	-
Company	-	-
Investor	-	-
Society	4	4
Total	4	4

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 IOF, anthracite coal or coke fines, bentonite, limestone, energy, water, furnace oil 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 as:

Target Vs. Achieved

Description	Target	Achieved for 2019-20	Target	Achieved for 2020-21
Energy Kwh/MT for Pelletisation including grinding and filtration	64	66.99	64	74.36
Anthracite Coal or Coke Fines consumption Kg/MT	17	16.62	17	17.38
Bentonite consumption Kg/MT	7	6.57	7	6.63
Furnace oil Ltr/MT	17	14.59	17	15.0
*Water consumption M3/ MT	<1	0.52 M3	<1	0.57 M3
Lime stone Kg/MT	29	25.37	29	26.00
IOF to pellets	1:1	1:1	1:1	1:1

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

There has been slightly higher consumption of inputs as above compared to previous year. However, the consumption in respect of Bentonite, Furnace oil are close to previous year figure. Also, consumption of coal, Bentonite, furnace oil, water, lime stones are within the targeted figure. The energy consumption has gone up due to variations in the quality parameters of IOF utilised during current year, when compared to previous year 2019-20. The low Fe, higher percentage of silica, moisture, alumina and LOI has resulted in excessive consumption of energy and other inputs. The current year quality parameters v/s previous year is furnished herewith for ready reference. Fe% 63.49 (63.97), SiO₂: 4.60 (4.40), Al₂O₃ 1.78(1.58), LOI 2.41 (2.12), moisture 10.53% (10.17)

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 33.02% **from only MSE** (including MSEs owned by SC/ST and women entrepreneurs) out of total procurement in the FY 2020-21.

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

- (a) 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.
- (b) IOF processing, slime generated is flown out through thickener over-flow to dump pond which is again recycled during dry season.

- (c) Pellet fines collected through de-dusting and wet scrubbing is reused for pellet making through re-cycling.

2. Other Wastes

- (a) **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.
- (b) **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 two 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-defined 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 2020-21 is provided in the table below:

1	Total Number of Employees (On Company Roll)	746
2	Total number of employees hired on temporary/contract/ casual basis	579
3	Total number of permanent women employees	23
4	Total number of permanent employees with disabilities	11
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 – 93.21% Officers – 79.18%

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 financial year.

As on the end of the Financial Year 2020-21, 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	91%
b.	Permanent women employees	57%
c.	Casual/temporary/contractual employees	72%
d.	Employees with disabilities	59%

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 2020-21, the Company has received 4 complaints from society and the same were disposed off by the management. The Company has well dented 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:

- KIOCL Mangaluru Plant has increased the green cover by planting a number of trees in their Mangaluru plant premises & other areas. As a part of green belt development initiative, this year about 200 saplings of local variety were planted near the pipe line corridor area.
- About 110 saplings were donated by Pilikula Nisargadam in this year and they were planted in the Blast Furnace premises. Additionally 250 saplings have also been planted departmentally/CISF at BFU.
- The formation of concrete road has been taken up for a length of about 872 meters at OBL area in the pellet plant premises which will ensure dust free atmosphere during movement of trucks transporting raw material. The entrance to Shed-1 is also being concreted for smooth movement of trucks and to control dust. The work is under completion stage.
- Many trees were transplanted at new site project in BFU, thereby saved the trees/greenery.
- 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 led?

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 laid a pipeline from Cochin to Mangalore 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. Company is in the process of preparing techno-economic feasibility report for use of LNG in plant.

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. These solar plants have been setup on top of the cooling Water Plant and the CPP office buildings.
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 2020-21 is as under:
 - (i) Roof top solar plant at CPP = 104912 Kwh Units
 - (ii) Roof tops solar plant at BFU = 391096 Kwh Units
 - (iii) 1MW ground based solar system = 1666958 Kwh Units
5. Another 5MW capacity solar plant is commissioned in Chikkanayakanhalli, Tumkur District in March 2021, the generation of which is wheeled to Bangalore Electric Supply Company for Captive use @ Company's Mangalore establishments.
6. As part of our effort towards cutting down the cost of energy consumed, we have utilised 2.61 GWh by bidding in Indian Energy Exchange (IEX) which is 1.59% of our total energy utilized in Pellet Plant Unit.
7. The Company had purchased renewable energy of 17.87 GWh through wheeling which is 10.87% 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.
8. 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. Savings from this incentive scheme is ₹ 4.61 Crores in the year 2020-21.

9. The total saving from IEX bidding and Wheeling of renewable energy is ₹ 3.145 Crores in the year 2020-21.
10. 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. However, this is yet to be considered by MESCOM.
- 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:

- Analysis of treated Sewage effluent – Once in a month by KSPCB (5 Parameters)
- Ambient air quality monitoring - 4 Stations within the Plant premises and all parameters stipulated as per the National Ambient Air Quality Standards.
- Stack Emissions (10 No's) in Pellet Plant – Particulate Matter, Sox & Nox.
- Stack Emissions from DG Sets (3 No's at CPP & 3 Diesel DG Sets in PP) Monitoring of 4 parameters (PM, CO, Nox & NMHC).
- 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, Mangalore 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 2020-21.

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:**

- Standing Conference of Public Enterprises, New Delhi (SCOPE)

- Federation of Indian Mineral Industries, New Delhi (FIMI)
- Pellet Manufacturer Association of India, New Delhi (PMAI)
- Institute of Directors, New Delhi (IOD)
- Federation of Karnataka Chamber of Commerce & Industry, Bangalore (FKCCI)
- Federation of Indian Exporters Organisation, New Delhi (FIEO)
- 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 2020-21 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 2020-21 are a part of CSR Report as published along with 2020-21 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 2020-21.

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- 2020-21 a sum of ₹ 885 Lakhs has been spent on various Community Development Projects. Project Details are part of our CSR Report published in 2020-21 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 nancial year?

No Complaint is pending for the FY 2020-21

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 specific 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?

Yes, as a part of ISO-9001:2015 Quality Management System, the Company had conducted the customer satisfaction survey for the Financial Year 2020-21 and was rated as 'DELIGHTED' with 960 points out of 1000.

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 2021 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: 27/05/2021

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 2021.

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

Place: Bengaluru
Date: 31/05/2021

FORM MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2021

[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 – 560034

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 – 560034, 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, 2021, 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, 2021 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 Regulations 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.
- (g) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018.
- (h) The Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) 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 except:-

1. COMPOSITION OF BOARD OF DIRECTORS:

Regulation 17(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

KIOCL LIMITED had four Independent Directors as against six required, including one Woman Independent Director, as on 31/03/2021.

As on date, the Post of two Independent Directors (including one woman Independent Director) are vacant on the Board.

KIOCL is a Government Company and the power to appoint Directors is vested with the Government of India.

To comply with the requirement of having 50% of the Board as Independent Directors, including a woman Independent Director, the listed Entity has been regularly following up with the Ministry of Steel, Government of India, for appointment of requisite number of Independent Directors.

2. PUBLIC SHAREHOLDING:

Regulation 38 of the SEBI (LODR) Regulations, 2015:

The Public Shareholding in the Company was 0.97% as on 31.03.2021 as against 25% required. As per SEBI Regulations, 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. 485(E) dated 31st July, 2020, 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 3 years from the date of commencement of the amended Rules.

Further in this regard, 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.

Meanwhile, the listed Entity bought back 1,41,74,469 equity shares during the year under report, as a result of which public shareholding marginally increased from 0.94% to 0.97%.

If 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.

If 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 - During the year ended 31st March 2021, the Company bought back 1,41,74,469 fully paid equity shares of the Company.

- (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.

Place: Bengaluru
Date: 31/05/2021

Sd/-
S. Viswanathan
Practicing Company Secretary
ACS No: 5284
CP No: 5284
UDIN: A005284C000288371

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.

Place: Bengaluru
Date: 31/05/2021

Sd/-
S. Viswanathan
Practicing Company Secretary
ACS No: 5284
CP No: 5284
UDIN: A005284C000288371

ANNEXURE TO BOARD'S REPORT

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Board of Directors
KIOCL Limited
Bangalore

We have examined all relevant records of M/s. 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, 2021.

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.

In our opinion from the examination of the records produced and to the best of our information and according to the explanations given to us, by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 as on March 31, 2021 *except the following*:-

- (i) *The Company did not have an independent woman director on Board during the period under review as required under the Regulation 17(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.*
- (ii) *One Independent Director Post remains 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) Regulation, 2015.*
- (iii) *As on March 31, 2021 the public shareholding of the Company is 0.97% against required public shareholding of 25%. Ministry of Finance, Department of Economic Affairs vide notification No. G.S.R. 485(E) dated 31st July 2020 has permitted listed public sector companies having less than 25% public shareholding to increase their public shareholding to 25% within a period of three years from the date of commencement of the Securities Contracts (Regulation) (Second Amendment) Rules 2018. Hence the Company is required to take necessary actions to comply with the minimum requirement of 25% public shareholding in conformity with regulation 38 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 read with Rule 19(2) and Rule 19A of the Securities Contracts (Regulation) Rules, 1957 by August 2021.*

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.

Place: Bangalore
Date : 09/06/2021

Sd/-
S.N. Mishra
Company Secretary
C. P. No. : 4684
FCS No. : 6143
UDIN : F006143C000437222

CERTIFICATE – STATUS OF DIRECTORS

I, S.N. Mishra proprietor of SNM Associates, Bengaluru, Practicing Company Secretary, have examined all the relevant documents and records made available to us by KIOCL Limited CIN: L13100KA1976GOI002974 for the financial year ending March 31, 2021 and hereby certify as follows:

None of the directors on the Board of KIOCL Limited ("Company") have been debarred or disqualified from being appointed or continuing as directors of companies by the Security and Exchange Board of India ("SEBI") or Ministry of Corporate Affairs ("MCA") or any other statutory authorities.

Place: Bangalore
Date : 09/06/2021

Sd/-
S.N. Mishra
Company Secretary
C. P. No. : 4684
FCS No. : 6143
UDIN : F006143C000437211

INDEPENDENT AUDITORS' REPORT

To,
The Members of KIOCL Limited,
Report on the Standalone Ind AS Financial Statements:

Opinion

We have audited the accompanying Standalone Ind AS financial statements of **KIOCL Limited** ("the Company") which comprises the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and Notes to the Financial Statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "Standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021, the **profit** including Other Comprehensive Income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Ind AS financial statements 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 Standalone Ind AS 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 Standalone Ind AS 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 on the Standalone Ind AS financial statements.

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. Kudremukh Mining Operations

Attention is drawn to Note No. 24.07 of the Standalone Ind AS 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 since Lakhya dam therein is the main water source for the pellet plant, the asset is shown under PPE.

3. Blast Furnace Unit (BFU)

Attention is drawn to Note No. 24.20 of the Standalone Ind AS financial statements on Blast Furnace Unit (BFU) which is not in operation since 2009, since it is not economically viable in running the unit. As per the approved project for Backward and Forward Integration of the Blast Furnace Unit, the Company is in the 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 judgement, were of most significance in our audit of the Standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and 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.

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
1.	<p>Going Concern</p> <p>As included in Note No. 24.35 (related to ‘Going Concern and estimation of uncertainties that may impact the Company’s operations’) to the Standalone Ind AS financial statements, the Company’s financial statements have been prepared using the going concern basis of accounting.</p> <p>The World Health Organisation in February 2020 declared COVID 19 as a pandemic. Governments around the world including India have been taking significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities.</p> <p>These lockdowns have a significant impact on the overall economic activity in India. Accordingly, the future cash flow projections used to assess going concern are subject to significant estimation uncertainties.</p> <p>In view of the above, we have identified our assessment of the going concern basis of accounting as a key audit matter.</p>	<p>In view of the significance of the matter we have obtained appropriate audit evidence and assessed the adequacy of the disclosures related to application of the going concern assumption.</p> <p>The 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 Standalone Ind AS financial statements, we also have not identified such a material uncertainty.</p>
2.	<p>Property, Plant & Equipment, Intangible Assets and its impairment</p> <p>There are areas where management judgement impacts the carrying amount of property, plant and equipment, intangible assets and their respective depreciation / amortization rates and impairment.</p> <p>These include the decision to capitalise or expense costs; the annual asset life review; the timeliness of the capitalization 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 and its impairment.</p> <p>This capitalization and annual impairment test are considered to be a key audit matter due to the complexity of the accounting requirements and the significant judgement required in determining the key assumptions, including estimates of future sales volumes and prices, operating costs, terminal value growth rates, capital expenditure and the weighted-average cost of capital (discount rate), to be used to estimate the recoverable amount.</p> <p>[Refer Note No. 3.1 – 3.3 & 24.08 to the Standalone Ind AS financial statements]</p>	<p>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.</p> <p>We assessed the controls in place over the PPE 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 and its impairment.</p> <p>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 and its impairment. In case of realizable value for assets retired from active use, we have relied upon the independent valuation report obtained by the management and provided to us. We’ve observed that the management has regularly reviewed the aforesaid judgments and there are no material changes.</p>
3.	<p>Adoption of Ind AS 116 Leases</p> <p>The Company has adopted Ind AS 116 Leases. 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.</p> <p>Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognize 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.</p> <p>[Refer Note No. 3.4, 12.1 (c & d) & 24.12 to the Standalone Ind AS financial statements]</p>	<p>Our audit procedures on adoption of Ind AS 116 include:</p> <ul style="list-style-type: none"> • Assessed and tested the 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; • On a sampling basis, we performed the following procedures: <ul style="list-style-type: none"> a. Assessed the key terms and conditions of each lease with the underlying lease contracts; and b. 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

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
		Based on the above audit procedures, the presentation and disclosures in the Standalone Ind AS financial statements are in accordance with the standard.
<p>4. Defined benefit obligation</p> <p>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.</p> <p>[Refer Note No. 13.1 (a & b) & 24.18 to the Standalone Ind AS financial statements]</p>		<p>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.</p> <p>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.</p> <p>In this process, we have relied upon the valuation of ‘actuary’ in accordance with SA 620 issued by the ICAI.</p>
<p>5. Provisions and Contingent Liabilities</p> <p>The Company has exposures towards litigations relating to various matters as set out in the Notes to the Standalone Ind AS Financial Statements.</p> <p>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 recognized, or a disclosure should be made. The management judgement is also supported with legal advice in certain cases as considered appropriate.</p> <p>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.</p> <p>[Refer Note No. 14(a) & 24.1 to the Standalone Ind AS financial statements]</p>		<p>Our audit procedures in response to this matter included, among others,</p> <ul style="list-style-type: none"> • 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. <p>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 Ind AS Financial Statements are considered to be reasonable.</p>
<p>6. Inventory Management</p> <p>The Company was majorly dependent on a single vendor for procurement of raw material i.e., iron ore fines, required for production of its finished goods i.e., pellets.</p> <p>This could have impact on the uninterrupted production process of the Company if the raw materials required were not available on a timely basis as per the procurement or production schedule of the Company.</p>		<p>We observed that the Company was majorly dependent on a single vendor for procurement of raw material (iron ore fines) and during the period of our audit and on our visit to the Pellet plant at Mangalore we observed that the production process was disrupted for a considerable amount of time due to non-availability of raw materials required.</p> <p>We were informed by the management that the Company is in the process of finding alternative source of raw material (Iron ore fines) from Odisha which require additional facilities in the manufacturing process like vertical pressure filter. The purchase order has already been placed for the installation of vertical pressure filter to process iron ore fines sourced from Odisha. We have relied upon the management replies and documents provided in this process.</p>

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
7.	<p>Recognition of Intangible Asset under development</p> <p>Refer Note No. 3.3 & 24.14 of the Standalone Ind AS Financial Statements, during the year, the Company has recognized costs incurred towards acquisition of mining rights amounting to ₹ 144.90 Lakhs as 'Intangible Assets under Development'.</p> <p>As per the Ind AS-38, the development costs are recognized as Intangible Assets only when:</p> <ol style="list-style-type: none"> 1. Technical feasibility has been established 2. The Company has committed technical and commercial resources to complete the development and use the intangible asset and 3. It is probable the asset will generate future economic benefits. <p>The costs capitalised during the year include the contribution made to District CSR fund of Bellary District, cost of technical knowhow expenses, materials, direct labour, inspecting and testing charges, designing cost, software expenses and directly attributable overhead expenditure incurred up to the date the intangible asset is available for use including interest.</p> <p>The recognition of development cost as an intangible asset is considered to be a key audit matter given the assessment of the recognition criteria set out in Ind AS 38 'Intangible Assets' is made at an early stage of development and there are inherent challenges with accurately predicting the future economic benefit, which must be assessed as 'probable' for capitalisation to commence. There is a risk therefore that development cost may get capitalised where the relevant criteria has not been met.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <p>Test of Controls</p> <ul style="list-style-type: none"> • Tested the Company's design, implementation and operating effectiveness of controls to comply with the recognition criteria set out in Ind AS 38 'Intangible Assets' for projects initiated during the year. <p>Test of details</p> <ul style="list-style-type: none"> • Evaluated and compared the inputs used in the assessment of future economic benefits; • Examined approvals and clearances of the project given by the concerned authorities, reviewed the source documents to determine the expected future economic benefits and feasibility of the project.

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

1. The Company's Board of Directors is responsible for the preparation of 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, Corporate Governance and Shareholder's Information, but does not include the Standalone Ind AS financial statements and our auditor's report thereon.
2. Our opinion on the Standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
3. In connection with our audit of the Standalone Ind AS 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 Ind AS 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.

Management's Responsibilities for the Standalone Ind AS Financial Statements

1. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013, with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position and 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, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

2. In preparing the Standalone Ind AS 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.
3. The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

1. Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS 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 Standalone Ind AS financial statements.
2. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Standalone Ind AS 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.
 - Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Standalone Ind AS financial statements or, if such disclosure is 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.
- Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
3. Materiality is the magnitude of misstatements in the Standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 Ind AS financial statements.
4. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.
5. 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.
6. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS 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.

Other Matters

1. The financial statements of the Company for the year ended 31st March 2020, were audited by another auditor who expressed an unmodified opinion on those statements on 25th June 2020.
2. The Company has requested its debtors and creditors for confirmation of balances as disclosed in Note No. 24.29 to the Standalone Ind AS financial statements. However, we have not received any confirmations and hence, we have relied upon the balances appearing in the books for the reporting period.

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 (Including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows 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, Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (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 Standalone Ind AS financial statements. Refer clause 1 of Note No. 24 of the Standalone Ind AS 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 Company.

For YCRJ & Associates
Chartered Accountants
FRN: 006927S

Sd/
CA Rajnish Rama Rao
Partner
M. No. 202465

Place: Bangalore
Date: 27/05/2021
UDIN: 21202465AAAACE8683

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 units of the Company have 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 the **Financial Accounting System**. Similarly, production details are not linked to the Financial Accounting System. During our audit, we have not come across any major 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 Government or its agencies during the financial year 2020-21.

However, as per information and explanations provided to us, in the year 2018-19, the Company had received a grant of ₹ 11.20 lakhs from the Government of India - Ministry of Steel for the purpose of Research and Development. Out of the said grant, ₹ 10.62 lakhs was disbursed to M/s Dayananda Sagar College of Engineering, Bengaluru for carrying out Research and Development on synthesis of Kudremukh Iron Ore Mine Tailings based on Geo-polymer Aggregate using Ash as a precursor in the Construction Industry during earlier years prior to FY 2020-21 and the balance amount shall be disbursed upon receiving a confirmation from the Ministry of Steel.

Place: Bangalore
Date: 27/05/2021
UDIN: 21202465AAAACE8683

For YCRJ & Associates
Chartered Accountants
FRN: 006927S

Sd/
CA Rajnish Rama Rao
Partner
M. No. 202465

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:

1. In respect of the Company’s fixed assets:
 - A. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plants and Equipment. The comprehensive description of assets, their current location and asset numbering is to be updated in the fixed asset register.
 - 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.
2. Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed;
3. The Company has not granted loans to bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 (‘the Act’).
4. 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.

5. The Company has not accepted any deposits from the public and does not have any unclaimed deposits as at March, 31, 2021 and therefore reporting under paragraph 3(v) of the Order is not applicable to the Company.
6. On the basis of records produced to us, we are of the opinion that, prima facie, the cost records prescribed by the Central Government of India under sub-section (1) of section 148 of the Companies Act, 2013 have been made and maintained. However, we are not required to and have not carried out any detailed examination of such accounts and records.
7. 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 2021 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 | ₹ in Lakhs | Period | Dispute Forum |
|------------------------------|--|------------|---------|---------------|
| 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 |
8. 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.
9. 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.
10. Based on the audit procedures performed 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.
11. 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.
12. The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
13. 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.
14. 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.
15. 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.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place: Bangalore
Date: 27/05/2021
UDIN: 21202465AAAACE8683

For YCRJ & Associates
Chartered Accountants
FRN: 006927S

Sd/
CA Rajnish Rama Rao
Partner
M. No. 202465

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, 2021, 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 Company 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, 2021, 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.

According to the information and explanation given to us,

the Company has established its internal financial controls over financial reporting criteria based on or considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. However, the documentation with regards to the system of internal financial controls over financial reporting of the Company needs further updation. Also, the Company is in the process of implementing an integrated ERP system comprising of Accounting, Inventory and other related modules in order to have efficient and effective control over the month end and year end transactions.

Place: Bangalore
Date: 27/05/2021
UDIN: 21202465AAAACE8683

For YCRJ & Associates
Chartered Accountants
FRN: 006927S

Sd/-
CA Rajnish Rama Rao
Partner
M. No. 202465

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, 2021

The preparation of the financial statements of KIOCL Limited for the year ended 31 March, 2021 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 the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on 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 27 May, 2021.

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 31 March, 2021 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 inquire of the Statutory Auditors and Company personal 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 Auditors' report under Section 143(6)(b) of the Act.

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

Sd/-
(M.S. Subrahmanyam)
Director General of Commercial Audit
Hyderabad

Place: Hyderabad
Date: 15/07/2021

Balance Sheet as at 31st March, 2021

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3.1	17,403.46	17,618.22
Right of use assets	3.4	9,649.49	10,201.01
Capital Work-in-progress	4	3,723.76	2,001.75
Intangible Assets	3.2	73.07	74.48
Intangible Assets Under Development	3.3	489.55	88.84
Financial Assets			
i) Loans	5.1.a	137.54	102.96
ii) Other Financial Assets	5.2.a	1,062.31	1,137.72
Other Non-Current Assets	9.a	-	227.32
Deferred Tax Assets (net)	6	571.17	227.00
Total Non-Current Assets		33,110.35	31,679.30
Current Assets			
Inventories	7	30,502.09	25,684.48
Financial Assets			
i) Trade Receivables	5.3	24,260.84	12,266.77
ii) Cash and Cash equivalents	5.4.a	59,380.65	42,980.09
iii) Bank Balances other than (ii) above	5.4.b	86,106.62	110,028.80
iv) Loans	5.1.b	73.37	71.95
v) Other Financial Assets	5.2.b	94.88	262.21
Current Income Tax Assets (net)	8	-	3,815.51
Other Current Assets	9.b	14,666.42	11,381.51
Total Current Assets		215,084.87	206,491.32
TOTAL ASSETS		248,195.22	238,170.62
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10	60,775.11	62,192.56
Other Equity	11	137,823.96	129,400.26
Total Equity		198,599.07	191,592.82
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
i) Lease Liabilities	12.1.c	10,792.59	11,129.85
ii) Other Financial Liabilities	12.1.a	50.63	64.25
Employee Benefit Obligation	13.1.a	6,731.53	6,047.93
Other Non-Current Liabilities	14.a	2,711.40	2,711.40
Total Non-current Liabilities		20,286.15	19,953.43
Current Liabilities			
Financial Liabilities			
i) Trade Payables		-	-
(A) Total outstanding dues of micro enterprises and small enterprises	12.2	581.58	71.75
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	12.2	14,049.10	11,049.72
ii) Lease Liabilities	12.1.d	1,242.35	1,251.57
iii) Other Financial Liabilities	12.1.b	9,154.43	8,815.85
Employee Benefit Obligation	13.1.b	1,953.10	3,749.68
Current Income Tax Liability (net)	8	3.64	-
Other Current Liabilities	14.b	2,325.80	1,685.80
Total Current Liabilities		29,310.00	26,624.37
TOTAL EQUITY AND LIABILITIES		248,195.22	238,170.62
Significant Accounting Policies and other Notes forming part of Financial Statements.	1 and 24		

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

as per our report of even date
for M/s YCRJ & Associates
Chartered Accountants
(Firm Registration No: 006927S)

Sd/-
(Rajnish Rama Rao)
Partner
Membership No: 202465

Place: Bangalore
Date: 27/05/2021

Statement of Profit and Loss for the period ended 31st March, 2021

(₹ in Lakhs)

Particulars	Note No.	Year Ended March 31, 2021	Year Ended March 31, 2020
Revenue from Operations	15	238,360.86	193,764.79
Other Income	16	9,422.42	11,888.22
Total Income		247,783.28	205,653.01
Expenses			
Cost of Materials Consumed		147,680.91	138,422.78
Purchases of Stock-in-Trade		-	349.91
Changes in Inventories -Pellet feed	17.a	(3,877.62)	491.89
Changes in Inventories -Finished product	17.a	5,966.07	139.76
Cost of Consumable Stores Spares & Additives	17.b	7,626.51	8,253.07
Direct Cost towards Service Contracts		818.23	698.00
Power and Fuel		19,832.47	23,426.96
Employee Benefits Expense	18	18,636.29	16,939.90
Finance Costs	20	1,485.97	996.86
Depreciation and Amortization Expenses	3.1a	2,745.96	2,749.08
Other Expenses	19	5,845.09	6,817.16
Total Expenses		206,759.88	199,285.37
Profit Before Exceptional Items and Tax		41,023.40	6,367.64
Exceptional Items		-	-
Profit Before Tax		41,023.40	6,367.64
Current Tax	21	11,028.40	2,377.12
Earlier years (Net)	21	-	112.12
Deferred Tax	21	(121.55)	(469.25)
Tax Expenses /(Income)		10,906.85	2,019.99
Profit for the Year		30,116.55	4,347.65
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	(85.43)	(27.61)
Less: Tax (Expenses)/Benefit on OCI	22	222.61	6.95
Total Other Comprehensive Income		137.18	(20.66)
Total Comprehensive Income		30,253.73	4,326.99
Earnings per Equity Share (EPS):			
Equity Shares of par value ₹10/- each			
Basic and Diluted		4.87	0.70
Number of Shares used in computing earning per share		618119817	621925565
Significant Accounting Policies and other Notes forming part of Financial Statements.	1 and 24		

For and on behalf of Board of Directors

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

Sd/-
(S K Gorai)
Director (Finance)

as per our report of even date
for M/s YCRJ & Associates
Chartered Accountants
(Firm Registration No: 006927S)

Sd/-
(P K Mishra)
Company Secretary

Sd/-
(Rajnish Rama Rao)
Partner
Membership No: 202465

Place: Bangalore
Date: 27/05/2021

Statement of Cash Flow for the year ended 31st March, 2021

(₹ in Lakhs)

Particulars	Figures as at the end of Current Reporting Period 31-03-2021	Figures as at the end of Previous Reporting Period 31-03-2020
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax from Continuing Operations	41,023.40	6,367.64
Add/(Less) Adjustment for :		
Depreciation and Amortization Expenses	2,745.96	2,749.08
Finance Costs excluding Interest on Working Capital	1,364.52	977.16
Net of Impairment Loss & Provision no longer required	(1,464.69)	313.58
Interest Income	(8,825.90)	(10,314.07)
Short Term Capital Gain- Liquid Mutual Funds	(215.09)	(608.47)
(Profit)/Loss on sale of Fixed assets	(1.38)	(38.77)
Operating Cash Flow before Working Capital Changes	34,626.82	(553.84)
Adjustment for :		
(Increase)/Decrease in Inventories	(4,817.61)	5,202.15
(Increase)/Decrease in Trade and Other Receivables	(12,018.27)	(5,404.83)
Increase/(Decrease) in Trade and Other Payables	87.74	(328.94)
Sale/deletion/transfer of Fixed Assets	(4.31)	(0.38)
Direct Tax paid (Net of refunds)	(6,819.22)	(1,090.08)
Net Cash from Operating Activities	11,055.15	(2,175.92)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment	(2,383.29)	(444.54)
(Increase)/Decrease in Capital Work in Progress	(1,722.01)	(1,649.42)
(Increase)/Decrease in Investment in Term Deposits with more than three months	23,922.18	(8,861.44)
(Increase)/Decrease in Current Investment in Liquid MF	-	4,230.89
Interest Received (Gross)	9,818.39	10,930.61
Short Term Capital Gain- Liquid Mutual Funds	215.09	608.47
Proceeds from sale of Property, Plant & Equipment	2.09	38.77
Net Cash from Investing Activities	29,852.45	4,853.34
C CASH FLOW FROM FINANCING ACTIVITIES		
Payment of Dividend and Dividend Tax	(4,353.48)	(9,971.92)
Buy back of Equity Shares	(18,894.00)	
Repayment of Lease Liability	(1,259.56)	(1,244.84)
Net Cash used in Financing Activities	(24,507.04)	(11,216.76)
ABSTRACT		
(A) Net Cash from Operating Activities	11,055.15	(2,175.92)
(B) Net Cash from Investing Activities	29,852.45	4,853.34
(C) Net Cash used in Financing Activities	(24,507.04)	(11,216.76)
Net Increase/(Decrease) in Cash and Cash Equivalents	16,400.56	(8,539.35)
Net Increase/(Decrease) in Cash and Cash Equivalents :		
Cash and Cash Equivalents as at 01.04.2020 (O.B)	42,980.09	51,519.44
Cash and Cash Equivalents as at 31.03.2021 (C.B)	59,380.65	42,980.09
Net Increase / (Decrease) in Cash and Cash Equivalents	16,400.56	(8,539.35)

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)

as per our report of even date
for M/s YCRJ & Associates
Chartered Accountants
(Firm Registration No: 006927S)

Place: Bangalore
Date: 27/05/2021

Sd/-
(P K Mishra)
Company Secretary

Sd/-
(Rajnish Rama Rao)
Partner
Membership No: 202465

AUDITOR'S REPORT

We have examined the Cash Flow Statement of KIOCL LIMITED, for the year ended 31st March 2021. The statement has been prepared by the Company in accordance with the requirements of Regulation 33 of SEBI (LODR) Regulation, 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 27th May, 2021 to the Board of Directors of the Company.

For M/s YCRJ & Associates
Chartered Accountants
FRN: 006927S

Place: Bangalore
Date: 27/05/2021

Sd/-
CA Rajnish Rama Rao
Partner
M. No. 202465

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 01/04/2019	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
Balance as at 01/04/2020	62,192.56	1,393.78	1,258.82	121,143.37	5,604.29	191,592.82
Transactions with Owners in their capacity as Owners						
Dividend for 2019-20 paid during the year					(4,353.48)	(4,353.48)
Restated Total Equity at the beginning of the Financial Year (2020-21)	62,192.56	1,393.78	1,258.82	121,143.37	1,250.81	187,239.34
Buy Back of 1,41,74,469 Equity Shares @Rs 110 each Face Value @Rs 10 each	(1,417.45)		1,417.45	(15,591.92)		(15,591.92)
Tax on Buy Back of 1,41,74,469 Equity Shares				(3,302.08)		(3,302.08)
Profit for the Year (2020-21)					30,116.55	30,116.55
Other Comprehensive Income (Net of tax)		137.18				137.18
Total Comprehensive Income for the year ended 31.03.2021	-	137.18	-	-	30,116.55	11,359.73
Balance as at March 31, 2021	60,775.11	1,530.96	2,676.27	102,249.37	31,367.36	198,599.07

For and on behalf of Board of Directors

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

Sd/-
(S K Gorai)
Director (Finance)

as per our report of even date
for M/s YCRJ & Associates
Chartered Accountants
(Firm Registration No: 006927S)

Place: Bangalore
Date: 27/05/2021

Sd/-
(P K Mishra)
Company Secretary

Sd/-
(Rajnish Rama Rao)
Partner
Membership No: 202465

Notes to the Financial Statements

Background

KIOCL Limited (the "Company") is a Schedule "A" Miniratna Government of India Enterprise, having its Head Office in Bangalore; it has Pelletisation and Pig Iron plant units in Mangalore. 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. The Company has diversified into Provision of Operating and Maintenance Services and Mineral exploration 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 substantially 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 recognized 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 of 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 ₹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 irrecoverable 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 01.04.2014

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

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.

Recognition Intangible Assets:

An Intangible Asset shall be recognized if it demonstrates all of the following criteria:

- i. Probable that the expected future economic benefits that are attributable to the asset will flow to the entity
- ii. Cost of the asset can be measured reliably

Recognition of Intangible Asset under Development Phase:

An Intangible Asset under development phase shall be recognized if it demonstrates all of the following criteria:

- i. Technical feasibility of completing the intangible asset so that it will be available for use or sale.
- ii. Intention to complete the intangible asset and use or sell it.
- iii. Ability to use or sell the intangible asset.
- iv. Entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness.
- v. Availability of adequate technical, financial and other resources to complete the development and to use.
- vi. Measure reliably the expenditure attributable to the intangible asset

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 Under Development".

Subsequent expenditure is capitalized 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

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

Sd/-
(S K Gorai)
Director (Finance)

as per our report of even date
for M/s YCRJ & Associates
Chartered Accountants
(Firm Registration No: 0069275)

Place: Bangalore
Date: 27/05/2021

Sd/-
(P K Mishra)
Company Secretary

Sd/-
(Rajnish Rama Rao)
Partner
Membership No: 202465

NOTE-3.1
PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Sl. No.	Description of Assets	GROSS CARRYING AMOUNT			DEPRECIATION			NET CARRYING AMOUNT			
		Carrying amount as at 01.04.2020	Additions during the year	Sales/ Adjustments	Gross carrying as at 31.03.2021	Accumulated Depreciation as at 01.04.2020	For the year	Sales/ Adjustments	Accumulated Depreciation as at 31.03.2021	As at 31.03.2021	As at 31.03.2020
MINES & PLANT:											
1	Land - Freehold - Leasehold	2146.87	-	(3.59)	2,143.28	-	-	-	-	2,143.28	2146.87
2	Buildings	657.25	-	-	657.25	-	-	-	-	657.25	657.25
3	Plant & Machinery	4945.88	-	-	4,945.88	2289.30	449.07	-	2,738.38	2,207.51	2,656.58
4	Furniture & Fittings - General	19068.75	1855.37	(27.87)	20,896.25	8145.64	1534.26	(27.87)	9,652.04	11,244.22	10,923.11
5	Vehicles	39.26	5.09	0.54	44.90	19.41	2.87	0.55	22.83	22.07	19.85
6	Equipments	120.74	19.23	-	139.97	95.04	4.81	-	99.85	40.12	25.70
7	Others	337.86	78.72	(12.37)	404.21	202.24	51.79	(11.65)	242.38	161.83	135.62
	Roads, Bridges & Culverts	92.77	10.61	-	103.38	48.77	6.63	-	55.40	47.98	44.00
	Temporary Structures	5.23	-	-	5.23	2.43	1.20	-	3.64	1.59	2.80
	Water supply, Sewerage & Fire Prevention system	196.21	-	-	196.21	88.00	16.96	-	104.96	91.24	108.21
	Electrical Installation	1181.87	-	-	1,181.87	536.80	106.96	-	643.76	538.11	645.07
	SUB TOTAL	28,792.70	1,969.01	(43.28)	30,718.44	11,427.66	2,174.55	(38.97)	13,563.23	17,155.20	17,365.05
TOWNSHIP											
1	Land - Freehold	32.81	-	-	32.81	-	-	-	-	32.81	32.81
2	Buildings	238.85	-	-	238.85	33.82	6.08	-	39.89	198.96	205.03
3	Furniture & Fittings - General	7.51	2.86	(0.55)	9.82	7.21	0.49	(0.55)	7.15	2.67	0.30
4	Vehicles	8.09	-	-	8.09	6.61	0.51	-	7.12	0.97	1.48
5	Equipments	15.46	0.80	-	16.27	6.38	1.28	-	7.67	8.60	9.08
6	Others										
	Roads, Bridges & Culverts	2.88	-	-	2.88	-	-	-	-	2.88	2.88
	Electrical Installations	3.26	-	-	3.26	1.83	0.21	-	2.04	1.22	1.43
	Water supply, Sewerage & Fire Prevention System	0.16	-	-	0.16	-	-	-	-	0.16	0.16
	SUB TOTAL	309.01	3.66	(0.55)	312.14	55.85	8.58	(0.55)	63.88	248.26	253.17
	GRAND TOTAL	29,101.72	1,972.68	(43.83)	31,030.57	11,483.50	2,183.13	(39.52)	13,627.11	17,403.46	17,618.22
	Previous year	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

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
3.1a : Depreciation and Amortization Expenses		
Property Plant and Equipment	2,183.13	2,179.90
Right of use assets	551.52	560.72
Intangible Asstes	11.31	8.46
Total	2,745.96	2,749.08
3.2 : Intangible assets		
Intangible Assets-Computer Software	94.12	84.21
Less:Amortisation Accumulated	21.05	9.73
Total	73.07	74.48
3.3 : Intangible assets under development		
Mining Rights under Acquisition	229.49	84.59
SAP Software under Devlopment/ Acquisition	260.06	4.25
Total	489.55	88.84
3.4 : Right of use assets		
Land	9,632.28	10,159.62
Building	17.21	41.39
Total	9,649.49	10,201.01
4 : Capital Work-in-progress		
Machinery under Installation	753.34	56.23
Work in Progress	2,970.42	1,945.52
Total	3,723.76	2,001.75
5.1.a : Loans (Non-current)		
Unsecured and considered doubtful		
Inter Corporate Loans	1,800.00	1,800.00
Less:Provision towards Impairment	1,800.00	1,800.00
Advances to Employees	137.54	102.96
Total	137.54	102.96
5.1.b : Loans (Current)		
Unsecured and considered Good		
Advances to Employees	73.37	71.95
Total	73.37	71.95
5.2.a : Other Financial Assets (Non-current)		
Deposits - KEB for Power	985.31	996.01
Deposits - Others	77.00	141.71
Total	1,062.31	1,137.72
5.2.b : Other Financial Assets (Current)		
Deposits - Others	2.68	2.78
Accounts Recoverable	92.20	259.43
Total	94.88	262.21
5.3 : Trade Receivables (Current)		
(i) Considered Good Secured (Secured by Letter of Credit)	23,221.39	8,752.74
(ii) Considered Good Unsecured	1,039.45	3,514.03
(iii) which have significant increase in credit risk	-	-
(iv) Credit Impaired	-	-
Total	24,260.84	12,266.77

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
5.4.a : Cash and Cash Equivalents		
Balances with Banks		
In Current Account	314.58	1,157.93
In Deposit Account (Maturity < 3 months)	57,581.00	34,770.00
In Deposit Account Flexi (Maturity < 3 months)	-	4,855.00
	57,895.58	40,782.93
Cash on hand	0.00	0.46
Stamps in hand (Unfranked balance)	0.07	0.03
Others	15.56	15.31
	57,911.21	40,798.73
Accrued Interest on Deposits with Banks	1,469.44	2,181.36
Total	59,380.65	42,980.09
5.4.b : Bank Balances other than Cash and Cash Equivalents		
(i) Other Bank Balances		
In Term deposits (3 months > Maturity < 1 year)	84,306.45	107,948.00
Accrued Interest on Bank Deposits	1,798.39	2,078.96
(ii) Un-paid Dividend	1.78	1.84
Total	86,106.62	110,028.80
6 : Deferred Tax Assets (Net)		
DTA on account of disallow. under IT Act	3,507.93	3,832.20
DTL on account of depreciation	2,936.76	3,605.21
Net Deferred Tax Assets	571.17	227.00
7 : Inventories		
(As valued and certified by the Management)		
For Operations		
(a) Raw materials	4,964.29	3,270.06
Add : Raw materials in transit	7,597.17	5,484.20
	12,561.46	8,754.26
(b) Work in progress	5,858.40	1,980.78
(c) Finished goods at lower of cost or NRV -Pellets	4,645.51	10,611.58
(d) Stores and Spares	3,460.24	3,054.68
Add: Stores in transit	3,152.60	20.12
	6,612.84	3,074.80
(e) Consumables and Additives	823.88	1,263.06
Total	30,502.09	25,684.48
8. Current Tax Assets/(Liability) (Net)		
Tax Deducted at Source	22,467.49	14,806.79
Less : Provision	22,471.13	10,991.28
Total	(3.64)	3,815.51
9.a : Other Non-Current Assets		
Non-Moving Stores - for 5 years or more	2,020.87	2,134.66
Surplus Stores	10.37	215.31
	2,031.24	2,349.97
Less : Provision for Impairment	2,031.24	2,349.97
	-	-
Expenditure against Doubtful Projects		
Material handling facilities & Railway siding from Thokkur	360.96	376.63
Ductile Iron spun pipe plant	65.43	65.43
Others	126.69	311.84
	553.08	753.90
Less : Provision for Impairment	553.08	753.90
Planned Assets(LIC Managed Gratuity Fund)-Net	-	227.32
Total	-	227.32

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
9.b : Other Current Assets		
Claims from Statutory Authorities		
Railways & Customs	0.35	0.35
GST Input Credit including Transitional Credit	5,048.52	3093.89
GST Refund Claim	1,359.09	9.34
GST TDS Receivable	8.12	-
	6,416.08	3,103.58
Advances		
Suppliers	4,543.29	4,944.31
Others	2,752.36	2,783.95
	7,295.65	7,728.26
Others	861.46	437.24
Prepaid Expenses	93.23	112.43
Total	14,666.42	11,381.51
10 : Equity Share Capital		
Authorised :	67,500.00	67,500.00
67,50,00,000 Equity Shares of ₹ 10/- each (Previous year 67,50,00,000 Equity Shares of ₹ 10/- each)		
Issued,Subscribed and Fully paid-up :	60,775.11	62,192.56
60,77,51,096 Equity Shares of ₹ 10/- each (Previous Year 62,19,25,565 Shares of ₹ 10/- each)		
During the year buy back of 1,41,74,469 Equity Shares @₹ 10		
Total	60,775.11	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 ₹ 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) During the year, the Company has bought back 1,41,74,469 Equity Shares and has not issued any shares.

c) Details of Shareholders holding more than 5% Shares in the Company:

Particulars	No of Shares (%)	No of Shares (%)
Hon'ble President of India	60,18,77,627 (99.03%)	61,60,51,204 (99.06%)

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
11 : Other Equity		
Capital Reserve		
Capital Redemption Reserve in terms of Section 69 of Companies Act, 2013	2,676.27	1,258.82
General Reserve		
As per last Balance Sheet	121,143.37	123,301.47
Impact of IND AS 116 (Net of Taxes)	-	(2,158.10)
	121,143.37	121,143.37
Less:- Buy Back of 1,41,74,469 Equity Shares @Rs 110 each	15,591.92	
Less:- Tax on Buy Back of 1,41,74,469 Equity Shares	3,302.08	
	102,249.37	
Retained Earning		
Opening Balance as on 01.04.2020	5,604.29	11,228.56
Profit/ (Loss) for the year	30,116.55	4,347.65
Appropriations		
Less : Final Dividend for the year 2018-19 including DDT	-	(9,971.92)
Less : Dividend for the year 2019-20	(4,353.48)	
	31,367.36	5,604.29
Other Comprehensive Income recognized directly in Retained Earning		
As per last Balance Sheet	1,393.78	1,414.44
Add/(Less) : Re-measurements of post employment benefits obligations (Net of Tax)	137.18	(20.66)
	1,530.96	1,393.78
Total	137,823.96	129,400.26
12.1.a : Financial Liabilities (Non-current)		
Deposits from Suppliers,Contractors and Others		
(i) total outstanding dues of micro and small enterprises,	-	0.07
(ii) total outstanding dues of other than micro and small enterprises	50.63	64.18
Total	50.63	64.25
12.1.b : Other Financial Liabilities (Current)		
Security Deposits from Suppliers,Contractors and Others		
(i) total outstanding dues of micro and small enterprises,	246.44	71.24
(ii) total outstanding dues of other than micro and small enterprises	670.57	1,151.10
	917.01	1,222.34
Accrued Salaries and Employee Benefits claims	4,026.60	5,779.50
Liability for Expenses		
(i) total outstanding dues of micro and small enterprises,	40.14	16.66
(ii) total outstanding dues of other than micro and small enterprises	4,170.68	1,797.35
	4,210.82	1,814.01
Others	-	-
Total	9,154.43	8,815.85
12.1.c : Lease Liabilities (Non-current)		
Land	10784.32	11112.69
Building	8.27	17.16
Total	10,792.59	11,129.85
12.1.d : Lease Liabilities (Current)		
Land	1231.61	1225.78
Building	10.74	25.79
Total	1,242.35	1,251.57

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
12.2 : Trade Payables		
Trade Payables		
(i) total outstanding dues of micro and small enterprises		
(a) For Goods	197.79	71.31
(b) For Works	383.79	0.44
(c) For Services	-	-
Total	581.58	71.75
(ii) total outstanding dues of creditors other than micro and small enterprises		
(a) For Goods	13,524.70	10134.42
(b) For Works	373.97	766.04
(c) For Services	150.43	149.26
Total	14,049.10	11049.72
Grand Total	14,630.68	11,121.47
13.1.a Employee Benefit Obligation (Non-current)		
Provisions towards Employee Benefits : Non-current		
Gratuity	163.66	-
Long term Compensated absence - EL	3,188.02	2,858.94
Long term Compensated absence - HPL	2,585.81	2,700.19
Provident Fund interest Guarantee Obligation	794.04	488.80
Total	6,731.53	6,047.93
13.1.b : Employee Benefit Obligation (Current)		
Provision towards Employee Benefits: Current		
Gratuity	22.68	
Other Superannuation Benefits	1,168.26	3,058.80
Short term Compensated absence - EL	532.84	595.69
Short term Compensated absence - HPL	229.32	95.19
Total	1953.10	3749.68
14.a : Other Non Current Liabilities		
Liability for Expenses	2,711.40	2,711.40
Total	2,711.40	2,711.40
14.b : Other Current Liabilities		
Advances Received	2,086.84	1,483.63
Unclaimed dividend pending encashment of warrants	1.78	1.84
Others	237.18	200.33
Total	2,325.80	1,685.80

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
15 : Revenue from Operations (Net)		
Sale of Products (Net of GST)		
Pellets	234,379.39	187,897.16
Pig Iron	-	2.40
Auxilliary	355.35	167.66
Iron Ore Fines/Trading of Pig Iron	-	349.97
Net Sales	234,734.74	188,417.19
Sale of Services	1,401.41	4,129.68
Other Operating Income		
Provision no longer required	1,464.69	506.62
Rent Income	169.84	165.77
Despatch Money	43.36	37.94
Exchange Variation	490.88	399.33
Others	55.94	108.26
	2,224.71	1,217.92
Total	238,360.86	193,764.79
16 : Other Income		
Interest income		
On Deposits with Banks valued at Amortised Cost	8,825.90	10,314.07
Others valued at Amortised Cost	49.08	403.06
Short Term Capital Gain- Liquid Mutual Funds	215.09	608.47
Other Non-operating income		
Provision no longer required (Net)	-	-
Profit on sale of Assets (Net)	1.38	38.77
Hire charges	0.89	3.56
Sale of Scrap	330.08	519.55
Others	-	0.74
Total	9,422.42	11,888.22
17.a : Changes in Inventories (Increase)/Decrease		
Finished Stock-Pellet		
Balance as at the beginning of the year	10,611.58	10,751.34
Less: Balance as at the end of the year	4,645.51	10,611.58
	5,966.07	139.76
Finished Stock-Pellet feed		
Balance as at the beginning of the year	1,980.78	2,472.67
Less: Balance as at the end of the year	5,858.40	1,980.78
	(3,877.62)	491.89
Total	2088.45	631.65
17.b Cost of Consumable Stores Spares & Additives		
Cost of Stores & Spares consumed	3,169.17	3,051.81
Cost of Consumables & additives consumed	4,457.34	5,201.26
Total	7626.51	8253.07
18 : Employee Benefits Expense		
Salaries and Wages	15,535.84	13,597.71
Contribution to Provident Fund	1,444.90	1,365.45
Contribution to Gratuity Fund	285.21	316.15
Contribution towards other Superannuation Benefits	971.01	927.46
Staff Welfare Expenses	399.33	733.13
Total	18,636.29	16,939.90

(₹ in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
19 : Other Expenses		
Rent	9.39	121.99
Rates and Taxes	455.27	232.99
Insurance charges	101.21	61.56
Travelling Expenses	38.36	166.79
Repairs and Maintenance		
Building	459.97	343.85
Machinery	954.03	1,033.82
Others	175.19	196.53
	1,589.19	1,574.20
Postage and Telephone charges	33.83	25.95
Advertisement and Publicity	58.33	89.97
Expenses on Security	1,093.75	1,299.83
Payment to Auditors		
for Audit	7.75	7.75
for Taxation matters	1.50	1.50
for Other services	1.65	1.10
for Reimbursement of expenses	1.00	1.00
	11.90	11.35
Cost Audit Fee and Reimbursement expenses	0.50	0.50
Demurrage on Exports	20.60	1.60
Port charges, Sampling Survey and cess	831.99	1,353.66
Bank charges including discounting of bills	32.44	20.84
Entertainment	4.38	9.82
Forest, Ecology & Pollution control expenses	71.44	79.28
Directors Sitting fees	12.19	11.05
Corporate Social Responsibility	884.66	331.42
Provision for Surplus Stores, DDRs and Others		820.20
Miscellaneous expenses	595.66	604.16
Total	5,845.09	6,817.16
20 : Finance Costs		
Interest on Working Capital	121.45	19.70
Interest On Operating Lease	913.08	938.98
Interest on Income Tax	451.44	38.18
Total	1,485.97	996.86
21 : Tax Expense		
Current Tax	11,028.40	2,377.12
Earlier years (Net)	-	112.12
Deferred Tax	(121.55)	(469.25)
Total	10,906.85	2,019.99
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	(230.79)	(172.97)
Less : Change in Asset Ceiling under para64(b) of IND AS 19	145.36	145.36
Less : Tax (expenses)/benefit on OCI	222.61	6.95
Total	137.18	(20.66)

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 31-03-2021		
	Iron Ore Concentrate	Iron Ore Pellets	Pig iron
	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)
Actual Production	Nil (Nil)	228,413.32 (187,757.39)	
Opening Stock	Nil (Nil)	10,611.58 (10,751.34)	
Closing Stock	Nil (Nil)	4,645.51 (10,611.58)	
Sales (Gross)	Nil (Nil)	234,379.39 (187,897.16)	355.35 (170.06)

Note:

- a) Pig Iron includes Auxilliary.
b) Previous year's figures indicated in bracket.

Particulars	Figures as at the end of Current Reporting Period 31-03-2021			Figures as at the end of Previous Reporting Period 31-03-2020		
	Qty (MT)	Rs. in Lakhs	%	Qty (MT)	Rs. in Lakhs	%
Consumption of Raw Materials						
Imported : Iron Ore		-	-	259,320	19,876.22	14.39%
Indigenous : Iron Ore Fines/(WIP)	2,210,000	147,690.05	100.00%	2,115,680	118,286.37	85.61%
Total	2,210,000	147,690.05	100.00%	2,375,000	138,162.59	100.00%
Consumption of Stores, Spares and Fuel						
Imported		4,096.82	26.15%		6,288.17	34.73%
Indigenous		11,572.64	73.85%		11,818.67	65.27%
Total		15,669.46	100.00%		18,106.84	100.00%
Included under :						
Stores and Spares		3,176.69			3,060.21	
Fuel		12,491.93			15,045.57	
Welfare Expenses		0.84			1.06	
Total		15,669.46			18,106.84	
Consumption of Consumables & Additives						
Imported :						
Lime stone	57,447	778.27	17.46%	60,263	822.33	15.81%
Coke fines	38,409	3,097.67	69.50%	38,353	3,561.93	68.48%
Total (a)		3,875.94			4,384.26	
Indigenous :						
Bentonite	14,659	503.52		15,614	556.64	
Coke fines		-	13.04%	1,106	113.80	15.71%
Burnt lime	1,342	77.87		2,442	146.55	
Dolomite		-		-	-	
Total (b)		581.40			817.00	
Total (a + b)		4,457.34	100.00%		5,201.26	100.00%
Expenditure incurred in Foreign Currency (On remittance basis)						
Travelling					5.56	
Other expenses		652.67			35.35	
Demurrage on Exports		19.16				
Value of Imports on CIF Basis						
Raw materials		-			19,876.22	
Components and spare parts		606.66			495.89	
Consumables and additives		7,366.03			9,305.46	
Total Expenditure		8,644.53			29,718.49	
Earnings in Foreign Exchange (on Receipt basis)						
Export of goods (FOB) (Rupees in Lakhs)		184,605.96			157,413.03	
equivalent of above in (US \$ Million)		249.94			222.45	
Total Earning		184,605.96			157,413.03	
Net Foreign Exchange Earning		175,961.44			127,694.54	

Note 24: Other Notes forming part of Financial Statements

1. Capital Commitment and Contingent/Disputed Liability

S. No	Particulars	As on 31.03.21 (₹ in Lakhs)	As on 31.03.20 (₹ In Lakhs)
A.	Estimated amount of the Contracts to be executed on Capital Account and not provided for (Net of Advances) #	7,471.40	5,034.32
B.	Contingent Liabilities not provided for:		
	1. In respect of - Letters of Credit and Bank Guarantees etc., outstanding		
	• On Revenue Account*	1,434.55	840.30
	• On Capital Account #	5,980.50	-
	2. Claims against the Company not acknowledged as debt.		
	• On Revenue Account*	50,731.30	50,563.14
	• On Capital Account	14,991.45	14,986.15

Work order placed on M/s Metso for supply of Vertical Pressure Filter worth ₹ 6274.32 Lakhs and for which 100% Letter of Credit was provided. As on 31st March 2021, material worth ₹ 293.82 Lakhs received and balance amount of ₹ 5,980.50 Lakhs included in the Contingent Liability (LC) towards Capital Account, accordingly considering the above the same is not included in the Capital Commitment towards the supply of Capital Goods.

* 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 Supreme 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.

S. No	Particulars	As on 31.03.21 (₹ in Lakhs)	As on 31.03.20 (₹ In Lakhs)
	3. Disputed Liabilities in Appeal on Revenue Account		
	• Excise Duty	5,848.31	-
	• Service Tax	60.77	-

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 31.03.2021 (₹ in Lakhs)	Pending with
2013-14	440.32	456.22	-	Commissioner of Income Tax (Appeals)
2014-15	192.96	192.94	-	

During the year, the Company has opted for Vivad Se Vishwas Scheme for Assessment Year 2017-18 with disputed tax liability amount to ₹ 59.82 lakhs and the same has been accepted by the Department. Accordingly the appeal pending before CIT has been withdrawn.

As per Company's assessment, there will not be additional financial implication over and above the provisions already made.

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, 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 in Chhattisgarh state and transporting to its plant at Mangalore 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 ₹ 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 ₹ 10,361.38 Lakhs of ECR which after considering the freight already paid, worked out to be ₹ 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, Mangalore 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 had approached Railway Claims Tribunal (RCT), Bangalore 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 filed 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, 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 Bangalore 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 Bangalore.

Subsequently, officials of IBM Bangalore 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 utilized for restoration of Kudremukh iron ore mine. In addition to above, the Company has also made provision to the extent of ₹ 600 Lakhs.

5. 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 and shown under Non-Current Assets in Note No 9.a. The movement of the provisions are as follows:

(₹ in Lakhs)

Particulars	Non-moving	Surplus	Total
Opening as on 01.04.20 (A)	2134.66	215.31	2,349.97
Adjustment of Provision towards impairment during the Year (B)	(113.79)	(204.94)	(318.73)
Closing Balance as on 31.03.21 (C=A+B)	2,020.87	10.37	2,031.24

6. An amount of ₹ 1464.69 Lakhs has been shown as "Provision no longer Required" under "Other Operating Income" in the Statement of Profit and Loss, as while making the Provisions the same was classified as Operating Expenditure in respective years. The details are as follows:

(a) During the current year the Board has approved to enhance perquisite of Executives and the Company implemented Non- Executive Pay revision w.e.f. 01.01.2017, accordingly the reassessment of provisions has been made and excess provisions amount to ₹ 1,319.23 Lakhs has been withdrawn.

(b) 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. In case of any movement of items from non-moving stores, the provision made against such non-moving stores is withdrawn in the year of movement. Accordingly, during the year, excess provisions of ₹ 113.79 Lakhs was withdrawn.

(c) During the current year, provision of ₹ 31.67 Lakhs, made in previous years towards Liability for Operating Expenditure, has been withdrawn.

7. Property, Plant & Equipment (PPE) includes land measuring 114.31 Hectares located on Kudermukh wherein the Mining operation was closed 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), appointed by Hon'ble Supreme Court of India.

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 decommissioning liabilities.

8. 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.

Depreciation on Assets other than Roads, Bridges and Culverts, Township, Furniture & Fittings, Computers, Vehicles are provided for 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.

Depreciation in respect of Assets having actual cost not exceeding ₹5,000 each, useful life of such assets considered as less than one year and Temporary Structures has been provided for in full, retaining a nominal value of ₹ 1 per item.

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	Companies Act, 2013 (from the date of commissioning)		Technical Committee Assessment (from 01.04.2014)	
	Life	Depn. %	Life	Depn. %
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.

9. 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	114.39
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.	84,043.44

10. During the year, Capital-Work-in-Progress increased to ₹ 3,723.76 Lakhs (Previous Year ₹ 2001.75 Lakhs) due to ongoing projects of 5 MW Solar Power Plant in Karnataka, Vertical Pressure Filter and Backward- Forward Integration of Blast Furnace Unit.

11. 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 as well as 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 hectors 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 with the 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.

12. Leases

Transition to Ind AS -116

Effective from April 1, 2019, the Company adopted Ind AS 116 on 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.

On transition, the adoption of the new standard resulted into 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.

There is an additional impact on the financials for the year, which is as follows: -

(₹ in Lakhs)

Particulars	As at March 31, 2021
Expenses on account of Depreciation	551.52
Interest on Lease Liability	913.08
Accrual lease rent payment	(1259.56)
Total	(205.04)

Ind AS 116 has resulted into 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 weighted average incremental borrowing rate applied to NMPT lease liabilities 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, 2021 are as follows:

(₹ in Lakhs)

Particulars	Category of ROU assets		Total
	Land*	Building	
Balance as at April 1, 2020	10,159.62	41.39	10,201.01
Additions	-	-	-
Deletion	-	-	-
Depreciation	(527.33)	(24.19)	(551.52)
Balance as at March 31, 2021	9,632.29	17.20	9,649.49

* The ROU of land includes a 99 years leasehold land which was acquired by the 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, 2021 is as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2021
Current lease liabilities	1,242.35
Non-current lease liabilities	10,792.59
Total	12,034.94

The movement in lease liabilities (LL) during the year ended March 31, 2021 is as follows:

(₹ in Lakhs)

Particulars	Year ended March 31, 2021
Balance as at April 1, 2020	12,381.42
Additions	-
Finance cost accrued during the period	913.08
Deletions	-
Payment of lease liabilities	(1,259.56)
Balance as at March 31, 2021	12,034.94

The details of the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2021
Less than One Years	Nil
One to five years	358.40
More than five years	26,698.33
Total	27,056.73

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 become due.

Rental expenses recorded for short-term leases were ₹162.92 Lakhs for the year ended March 31, 2021 (Previous year ₹206.62 Lakhs).

Rental income on assets given on operating leases was ₹155.15 Lakhs for the year ended March 31, 2021 (Previous year ₹152 Lakhs).

13. The Company holds nine tracts of Land totaling 386,691 Sq. Mtrs. on long term lease from New Mangalore 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

14. Govt. of Karnataka vide its Gazette notification dated 23.01.2017 reserved 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 obtain a prerequisite statutory clearance viz. Mining Plan, Environment Clearance and Forest Clearance.

Till date only the mining plan has been approved by the Regional Controller of Mines, Indian Bureau of Mines, Bangalore, and the Environment Clearance and Forest Clearance are in the process of being obtained. The Forest Ecology and Environment Department, Government of Karnataka, has recommended in principle stage-I approval to MOEF, Govt. of India. In the Last meeting of the MOEF-FAC held on 10th March 2021 and based on the meeting a Sub-committee was setup to visit the site and to submit report thereof within one month. The Stage -I clearance from Ministry of Environment and Climate change is still awaited.

The company has contributed towards the District CSR funds by funding the purchase of vehicles based on a request of the District Administration, Bellari district during the year 2020-21 (₹ 118.92 Lakhs) as a goodwill gesture. The cumulated expenditure associated with the acquisition of mining rights including related professional fee, processing fee before execution of Mining Lease Deed and contribution towards District CSR fund is ₹ 229.49 Lakhs (Previous year ₹ 84.59 Lakhs) are treated as "Mining rights under Acquisition" and are classified under the head "Intangible Assets under Development" vide note no.3.3

15. During the year the Company has engaged M/s Tech Mahindra to implement ERP in the Company. As on 31st

March 2021, work was under progress and expected to be completed during the FY 2021-22. Cumulative expenditure incurred upto 31st March 2021 was ₹ 260.06 Lakhs including fees for feasibility and PMC charges (Previous Year ₹ 4.25 Lakhs) are treated as "SAP Software under Development/ Acquisition" and are classified under the head "Intangible Assets under Development" vide note no.3.3

16. 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.

Accordingly, during the year value of Inventory written down by Rs Nil (Previous year ₹ 846.40 Lakhs).

17. Since the closure of mining activities, consequent upon the judgment of Hon'ble Supreme Court w.e.f. 01.01.2006, Mangalore 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 as an integral part of Mangalore unit.

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 adopted by the Company through resolution in 257th meeting of the Board 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/[Liability] recognized in Balance Sheet is [₹ 186.34 Lakhs] (Previous year ₹ 227.32 Lakhs).

(b) Present Value of Future Obligations (as at the Balance Sheet date) as per Actuarial Valuations are:

- Long term compensated absence - Earned Leave ₹ 3,720.86 Lakhs (Previous year ₹ 3,454.62 Lakhs)

- Long term compensated absence - Half pay Leave ₹ 2,815.13 Lakhs (Previous year ₹ 2,795.38 Lakhs)
- Provident Fund Interest Guarantee Obligation for the year: ₹ 305.23 Lakhs (Previous year ₹ 268.21 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 2020-21, 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). Environment clearance has been granted by MOEF&CC, GOI on 27.02.2020. M/s MECON has been appointed as EPCM contractor for the project.

The project is divided into various packages like Site Levelling, Power Plant, Oxygen plant, Nitrogen plant, Pulverized Coal Injection and Blast Furnace Unit upgradation, DISP Plant packages and Coke Oven. Site Levelling work is under execution, Coke Oven tender is at finalization stage and for other packages tenders have been floated. Tendering process is delayed due to COVID-19 pandemic and subsequent travel restrictions. As per the changes in public procurement policy, global tenders are cancelled and domestic tenders are floated.

During the year the Company has incurred ₹ 16.06 Lakhs towards Excavation and loading of 3,131.28 MT of auxiliary material of Pig Iron at BFU. The said materials of 3,167.28 MT worth ₹ 355.35 Lakhs were sold during the year (Previous year 1,946.30 MT worth ₹ 170.06 Lakhs). As at the end of the year, Company was holding a physical stock of 684 MT (Opening 720 MT plus excavated 3,131.28 MT less 3,167.28 MT sold) of the same (Previous year 720 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 ₹ 76.61 Lakhs (Previous year ₹ 54.00 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 been executing undertaken the following contracts during the year:

- 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 respect to the said contracts are tabulated as follows:

(₹ in Lakhs)

Particulars	As on March 31, 2021		As on March 31, 2020	
	Revenue Earned	Expenses Incurred (net)	Revenue Earned	Expenses Incurred (net)
M/s IOCL	87.08	Nil	116.10	Nil
M/s OMCL	926.90	798.85	685.87	614.08

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.

- 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 various Mineral Exploration Blocks. During the year, total revenue earned from Mineral Exploration activities are ₹ 387.43 Lakhs (Previous year ₹ 823.51 Lakhs) which is accounted as Revenue from Operations under the head Sale of Services. Balance orders to be executed in the next financial year for ₹ 9,526.00 Lakhs including confirmation received for carrying out G4 level of ME works for Kyanite in Kallahalli Kyanite Block, Mysore (Dist), Karnataka valuing ₹ 162.71 Lakhs.
22. (a) Expenses incurred towards generation of power being a significant cost of production have been included under the primary heads of account.
- Expenses incurred towards Stores, Spares, Consumables and Additives being a significant cost of production have been included under the primary heads of account.
23. The Company has spent ₹ 884.66 Lakhs (Previous year ₹ 331.42 Lakhs) towards CSR during the year 2020-21, as against the minimum amount required to be spent of ₹ 222.59 Lakhs.

24. 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 2020-21 is ₹ 868.16 Lakhs (Previous year ₹ 159.72 Lakhs) and the same has been included in note 12.1.a, 12.1.b & 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.

The Company had opened Trade Receivable Discounting System (TReDS) Account with MIXCHANGE and INVOICEMART in addition to RXIL for facilitating trade receivables with MSME.

25. 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 financial 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, 2021					
Trade payables	12.2	14,630.68	14,630.68	-	14,630.68
Lease Liability	12.1.c,d	12,034.94	1,242.35	10,792.59	12,034.94
Other financial liabilities	12.1.a,b	9,205.06	9,154.43	50.63	9,205.06
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

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, since 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 is 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 31 st March 2021				
	USD	EUR	JPY	GBP	Total
Financial Assets					
Trade Receivables	23,233.58	-	-	-	23,233.58
Financial Liabilities					
Long Term Borrowings	-	-	-	-	-
Trade Payables	1.51	-	-	-	1.51
Other Liabilities	-	2.24	-	-	2.24
Total Exposure	23,232.07	2.24	-	-	22908.59
Less: Currency forwards	22,906.35	-	-	-	8,382.03
Net exposure to foreign currency risk	325.72	2.24	-	-	306.79
Increase /(decrease) to Profit before Tax for changes of 5% against INR					
Strengthened	16.29	(0.11)	-	-	16.18
Weakened	(16.29)	0.11	-	-	(16.18)

(₹ in Lakhs)

Particulars	As at 31 st 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

Particulars	As at 31 st March 2020				
	USD	EUR	JPY	GBP	Total
Total Exposure	8,688.82	-	-	-	8,688.82
Less: Currency forwards	8,382.03	-	-	-	8,382.03
Net exposure to foreign currency risk	306.79	-	-	-	306.79

26. 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 Earnings and Share Capital. The Company aims 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.

27. Fair Value Measurements

(i) Financial instruments by category

(₹ in Lakhs)

	31.03.2021			31.03.2020		
	FVPL	FVOCI	Amortized Cost	FVPL	FVOCI	Amortized Cost
Financial Asset						
Loans	-	-	210.91	-	-	174.91
Trade Receivables	-	-	24,260.84	-	-	12,266.77
Cash and cash equivalents	-	-	59,380.65	-	-	42,980.09
Other Financial Assets	-	-	87,263.81	-	-	111,428.73
Total Financial Assets	-	-	171,116.21	-	-	166,850.50
Financial Liabilities						
Trade Payables	-	-	14,630.68	-	-	11,121.47
Lease Liability	-	-	12,034.94	-	-	12,381.42
Other Financial Liabilities	-	-	9,205.06	-	-	8,880.10
Total Financial Liabilities	-	-	35,870.68	-	-	32,382.99

(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 2021

(₹ In Lakhs)

Particulars	Level - 1	Level - 2	Level - 3	Total
Financial Assets				
Loans	-	-	210.91	210.91
Total Financial Assets	-	-	210.91	210.91

Assets and Liabilities which are measured at amortized cost for which fair values were 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

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.

28. There is no amount due and outstanding to be credited to the Investor Education and Protection Fund as at 31.03.2021 and 31.03.2020.
29. 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.
30. 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	Non-Fund Based	Limit	Utilized
1	Indusind Bank	LC/BG/BC	20,000.00	10,443.73
2	Kotak Bank	LC/BG	10,000.00	-
3	Yes Bank	LC/BG	10,000.00	-
4	ICICI Bank	LC/BG	7,000.00	-
5	HDFC	LC/BG	9,500.00	-
Total			56,500.00	10,443.73

The total ₹ 10,443.73 Lakhs consists of ₹ 6,345.31 Lakhs and ₹ 4,098.42 Lakhs towards LC and BG respectively. In addition to above, value of Matching Forward Cover booked with Indusind Bank is ₹ 22,906.35 Lakhs.

LC: Letter of Credit, BG: Bank Guarantee, BC: Buyers Credit.

31. During the current year, Company has declared dividend at ₹ 0.70 per share for the Financial Year 2019-20 (Previous year ₹ 1.33 per Shares) and paid an amount of ₹ 4,353.48 Lakhs.
32. During the year the Company has made buy back of 1,41,74,469 Equity Shares @ ₹ 110/- each out of the General Reserve. Capital Redemption Reserve in terms of section 69 of the Companies Act 2013 for the face value of redemption amount amounting to ₹ 2,676.27 Lakhs has been created and disclosure of the same made in Note-11 Other Equity.

Consequent upon the buyback of 1,41,74,469 Equity Shares on 24th December 2020, the weighted average number of Ordinary shares outstanding during the period calculated as follows:

Particulars	No of Shares (A)	Days Outstanding (B)	Product C=(Ax B)
Upto 23.12.2020	62,19,25,565	267	1,66,05,41,25,855
From 24.12.2020 to 31.03.2021	60,77,51,096	98	59,55,96,07,408
Total		365	2,25,61,37,33,263
Weighted Average number of Shares (Total C / Total B)			61,81,19,817

33. 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.
34. During the Financial year 2019-20, the company has elected to exercise the option available under Sec.115BAA of the Income Tax Act, 1961. Accordingly, the applicable Corporate Tax is 25.168% (Corporate Tax rate 22%, Surcharge 10% and Cess 4% on Tax and Surcharge).
35. 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 current financial year the Company has managed to execute the sales orders for 2.311 MMT and produced Iron Ore Pallets of 2.210 MMT. Further, during the month of April, 2021 the company has managed to execute the sales orders for 0.16 MMT and produced 0.18 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.

36. The Company had extended ₹ 18 Crores inter corporate loans to Hindustan Photo Films Mfg Company Ltd (HPF Ltd) during 1992-93. HPF Ltd has been declared to be sick under Sick Industrial Companies (Special provisions) Act 1985 in January 1996. Provision towards 100% of the said 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.
37. During the year, the Company has opened the VRS Scheme, total 13 employees separated under VRS scheme, compensation thereof amounting to ₹ 319.31 Lakhs included under the head "Employee Benefit Expenditure".
38. Related Party Disclosure: Key Management Personnel are:

M.V. Subba Rao	Chairman-cum-Managing Director
Swapan Kumar Gorai	Director (Finance)
T. Swaminathan	Director (Commercial)
K.V. Bhaskara Reddy	Director (Production and Projects)
P.K. Mishra	Company Secretary

As per the requirement of Ind AS 24 the total compensation paid to Key managerial personnel for the year 2020-21 are as follows:

(₹ in Lakhs)

S. No	Particulars	Shri M V Subba Rao	Shri Swapan Kumar Gorai	Shri T Saminathan	Shri KV Bhaskar Reddy	Shri P K Mishra
1	Short-term employee benefits	57.74	46.21	43.64	44.84	18.62
2	Post-employment benefits	-	-	-	-	-
3	Other long-term benefits	-	-	-	-	-
4	Termination benefits	-	-	-	-	-
5	Share-based payment	-	-	-	-	-
Total		57.74	46.21	43.64	44.84	18.62

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)

DEFINED BENEFIT PLANS - GRATUITY		LONG TERM GRATUITY	
		31-Mar-21	31-Mar-20
I.	PRINCIPAL ACTUARIAL ASSUMPTIONS [Expressed as weighted averages]		
	Discount Rate	6.68%	6.59%
	Salary escalation rate	11.00%	11.00%
	Attrition rate	5.00%	5.00%
	Expected rate of return on Plan Assets	6.68%	6.59%
	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	9735.62	9550.15
	Interest Cost	608.41	598.33
	Current service cost	354.89	357.78
	Past service cost	-	-
	Benefits paid	(1255.50)	(941.65)
	Actuarial loss/(gain) on obligation	224.18	171.01
	PVO as at the end of the period	9667.60	9735.62
III.	CHANGES IN THE FAIR VALUE OF PLAN ASSETS		
	Fair value of plan assets as at the beginning of the period	10108.33	10397.76
	Expected return on plan assets	633.36	654.18
	Contributions	1.69	-
	Benefits paid	(1255.50)	(941.65)
	Actuarial gain/(loss) on plan assets	(6.62)	(1.96)
	Fair value of plan assets as at the end of the period	9481.26	10108.33
IV.	ACTUAL RETURN ON PLAN ASSETS		
	Expected return on plan assets	633.36	654.18
	Actuarial gain (loss) on plan assets	(6.62)	(1.96)
	Actual return on plan assets	626.74	652.22
V.	AMOUNTS RECOGNISED IN THE BALANCE SHEET		
	Present value of the obligation	9667.60	9735.62
	Fair value of plan assets	9481.26	10108.33
	Net Defined Benefit Liability recognized in the balance sheet	186.34	(227.35)
	Non-Current	163.66	(227.35)
	Current	22.68	-
VI.	AMOUNT RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS:		
	Current service cost	354.89	357.78
	Past service cost	-	-
	Net Interest on Net Defined Benefit Obligations	(24.95)	(55.85)
	Amount recognized in the statement of profit and loss	329.94	301.93
VII.	AMOUNT RECOGNIZED IN THE OTHER COMPREHENSIVE INCOME [OCI]		
	Actuarial (gain)/loss on Plan Obligations	224.18	171.01
	Actuarial gain/(loss) on plan assets	6.62	1.96
	Amount recognized in OCI	230.80	172.97
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 :

- 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.
- The salary escalation rate is arrived 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-21	31-Mar-20
A. Discount Rate + 100 BP	7.68%	7.59%
Defined Benefit Obligation [PVO]	9,258.42	9,299.30
B. Discount Rate - 100 BP	5.68%	5.59%
Defined Benefit Obligation [PVO]	10,113.04	10,213.73
C. Salary Escalation Rate + 100 BP	12.00%	12.00%
Defined Benefit Obligation [PVO]	9,721.85	9,820.45
D. Salary Escalation Rate - 100 BP	10.00%	10.00%
Defined Benefit Obligation [PVO]	9,601.00	9,634.12

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 :

(₹ in Lakhs)

Particulars	< 1Year	Between 1-2 years	Between 2-5 years	> 5 years	Total
31 st March, 2021 Defined Benefit Obligation (Gratuity)	1,466.54	1,458.09	3,872.27	6,860.98	13,657.88
Total	1,466.54	1,458.09	3,872.27	6,860.98	13,657.88
31 st 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

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 2021

(₹ 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 31-03-2021	Previous Reporting Period 31-03-2020	Current Reporting Period 31-03-2021	Previous Reporting Period 31-03-2020	Current Reporting Period 31-03-2021	Previous Reporting Period 31-03-2020
REVENUE:						
External Sales (Net)	234,379.39	187,897.16	355.35	520.03	234,734.74	188,417.19
Other Operating Revenue	1,974.87	1,048.34	249.84	169.58	2,224.71	1,217.92
Total Revenue	236,354.26	188,945.50	605.19	689.61	236,959.45	189,635.11
RESULT:						
Segment result before exception	34,073.47	(3,394.64)	(2,219.11)	(1,899.22)	31,854.36	(5,293.86)
Unallocated Income less expenses						
(a) Interest Income					8,825.90	10,314.07
(b) Short Term capital Gain - Mutual Funds					215.09	608.47
(c) Contribution from Service Contracts (Net of expenses)						
- O&M - NMDC						667.17
- OMCL - Kaliapani					128.05	71.80
Profit before tax					41,023.40	6,367.64
Less: Income Tax					11,028.40	2,377.12
Earlier years (Net)						112.12
Deferred Tax					(121.55)	(469.25)
Net Profit After Tax					30,116.55	4,347.65
Other Comprehensive Income					137.18	(20.66)
Total Comprehensive Income					30,253.73	4,326.99
OTHER INFORMATION:						
Segment Assets	60,004.81	56,893.28	7,671.74	8,245.77	67,676.55	65,139.05
Unallocated Assets	-	-	-	-	180,518.67	173,031.57
Total Assets					248,195.22	238,170.62
Segment Liabilities	31,684.77	32,502.63	1,856.98	1,881.72	33,541.75	34,384.35
Unallocated Liabilities	-	-	-	-	16,054.40	12,193.45
Total liabilities					49,596.15	46,577.80
Capital Expenditure	1,940.41	306.59	32.27	139.46	1,972.68	446.05
Depreciation and Amortisation	2,068.10	2,081.36	677.86	667.72	2,745.96	2,749.08
Non-cash expenses other than Depreciation	912.21	822.93	0.87	(2.73)	913.08	820.20

1. The Company is domiciled in India. Segment Revenue by Location of Customer is shown in the table below:-

Particulars	2020-21	2019-20
External Sales (Gross)		
Domestic	50,128.78	31,004.16
Overseas	184,605.96	157,413.03
Total	234,734.74	188,417.19

2. Revenue of approximately ₹ 172,496.26 Lakhs (Previous Year ₹ 158,644.84 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

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

Sd/-
(S K Gorai)
Director (Finance)

as per our report of even date
for **M/s YCRJ & Associates**
Chartered Accountants
(Firm Registration No: 0069275)

Sd/-
(P K Mishra)
Company Secretary

Sd/-
(Rajnish Rama Rao)
Partner
Membership No: 202465

Place: Bangalore
Date: 27/05/2021

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.in

NOTICE IS HEREBY GIVEN THAT THE FORTY-FIFTH ANNUAL GENERAL MEETING (“AGM”) OF THE MEMBERS OF KIOCL LIMITED (CIN: L13100KA1976GOI002974) will be held on Wednesday, the 15/09/2021, 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, 2021 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 @ ₹1.64/- per Equity Share for the year ended March 31, 2021.
3. To appoint a Director in place of Sri T. Saminathan (DIN: 08291153), who retires by rotation at this AGM and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Sri K.V. Bhaskara Reddy (DIN: 08672764), 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 2021-22.”

SPECIAL BUSINESS:

6. Appointment of Ms. Sukriti Likhi as Govt. Nominee Director

To consider and if thought fit, to pass, with or without modification (s), 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 23/04/2021 and pursuant to the provisions of Companies Act, 2013 read with Listing Regulations and other applicable laws, the consent of the members of the Company be and is hereby accorded for continuation of appointment of Ms. Sukriti Likhi (DIN: 01825997) as Govt. Nominee Director of the Company until further orders, liable to retire by rotation.”

7. Ratification of Remuneration of the 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 2021-22, 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 2021-22 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.”

By Order of the Board of Directors

KIOCL Limited,

Sd/-

(P. K. Mishra)

Company Secretary

Place: Bengaluru
Dated: 05/08/2021

NOTES:

1. In view of the continuing COVID-19 Pandemic, the Ministry of Corporate Affairs (“MCA”) vide its circular no. 20/2020 dated May 5, 2020 read with circulars no. 14/2020, 17/2020 and 02/2021 dated April 8, 2020, April 13, 2020 and January 13, 2021 respectively (collectively referred to as “MCA Circulars”) and SEBI vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 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”), MCA and SEBI 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 and SEBI 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 CS S.N. Mishra of M/s SNM & Associates, Practicing Company Secretaries as the Scrutinizer for conducting the remote e-voting and 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 mishra@snmassociates.in with a copy marked to helpdesk.evoting@cdslindia.com (CDSL).

6. The Company has fixed Wednesday, September 08, 2021 as the ‘Record Date’ for determining entitlement of members to final dividend for the financial year ended March 31, 2021, if approved at the AGM.
7. The shareholders may note that the Income-tax Act, 1961, (“the IT Act”) as amended by the Finance Act, 2020, mandates that dividend paid or distributed by a company after April 1, 2020 shall be taxable in the hands of shareholders. The Company shall therefore be required to deduct tax at source (“TDS”) at the time of making the payment of final dividend. In order to enable us to determine the appropriate TDS rate as applicable, shareholders are requested to submit relevant documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act.

For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows:

1. Shareholders having valid Permanent Account Number (“PAN”) - 10% or as notified by the Government of India.
2. Shareholders not having PAN / valid PAN - 20% or as notified by the Government of India.

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). No tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during fiscal 2022 does not exceed ₹ 5,000 and also in cases where shareholders provide Form 15G / Form 15H (Form 15H is applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower/nil withholding tax. PAN is mandatory for shareholders providing Form 15G / 15H or any other document as mentioned above. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

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.

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 or any other document in support of Tax benefit.

The aforesaid forms/declaration and other documents need to be submitted by the shareholders to avail the benefits of TDS on Dividend, by sending an email to purnachandra.jena@kioclltd.in by 5 P.M. IST on 14/09/2021.

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 Registrar and Transfer Agent, 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 at email ID cs@kioclltd.in or to RTA at email ID irg@integratedindia.in, 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 September 07, 2021 through email on cs@kioclltd.in. 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.in 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. Saminathan (DIN: 08291153), Director (Commercial) and Sri K.V. Bhaskara Reddy (DIN: 08672764), Director (Production & Projects) 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 2021-22 as may be deemed fit by the Board.

19. Members are requested to note that, dividends which are not encashed 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 web 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 Circulars, Notice of the AGM along with the Annual Report 2020-21 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 2020-21 will also be available on the Company's website www.kioclltd.in, 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 and January 13, 2021, 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 served 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 served 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/ mobile no. are not registered with the Company/ Depositories :**
 - (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 update your email id & mobile no. with your respective Depository Participant (DP).
 - (c) For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. 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 on 022-23058542/43.

THE INTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- (i) The voting period begins on 12/09/2021 at 09:00 a.m. and ends on 14/09/2021 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 08/09/2021 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 during the meeting.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple E-voting Service Providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode (CDSL/NSDL) is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing User ID and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1. If you are already registered for NSDL IDEAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDEAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDEAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDEAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website(s).

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meeting for physical shareholders and shareholders other than individual shareholders holding in Demat form.

1. The shareholders should log on to the e-voting website www.evotingindia.com.
2. Click on “Shareholders” module.
3. 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) Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

4. Next enter the Image Verification as displayed and Click on Login.
5. 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.
6. If you are a first-time user follow the steps given below:

For Physical Shareholders and other than individual shareholders holding shares in Demat	
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 sent by Company/RTA or contact Company/RTA.
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).

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) 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.
- (viii) For Members holding shares in physical form, the details can be used only for e-voting on the Resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <KIOCL LIMITED> on which you choose to vote.
- (x) 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.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the Resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) 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.
- (xvi) **Facility for Non – Individual Shareholders and Custodians –Remote Voting.**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians 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, to the Scrutinizer at the email address mishra@snmassociates.in and to the Company at the email address cs@kioclltd.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops for better experience.
5. Further Shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. 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 **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at cs@kioclltd.in.
8. Shareholders who do not wish to express their views during the AGM but have queries, may send their queries in advance at least **7 days prior to meeting** mentioning their name demat account number/folio number, email id, mobile number at cs@kioclltd.in. The same will be replied by the company suitably via email only.
9. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
10. Only those shareholders, who are present in the AGM/EGM 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.
11. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

OTHER INSTRUCTIONS

- (a) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-Voting (votes cast during the AGM and votes cast through remote e-Voting) and make, not later than 'two working days' 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.in 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. Saminathan (DIN: 08291153)	Sri K.V. Bhaskara Reddy (DIN: 08672764)
Date of Birth & Age	10/05/1964 and 57 years	12/01/1963 & 58 years
Date of Appointment	09/01/2019	01/03/2020
Qualification	1. Degree in Mechanical Engineering from University of Madras. 2. Post Graduate Diploma in Business Management from XIME, Bangalore.	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. T. Saminathan has more than 3 decades of experience in KIOCL Ltd in the iron ore Mining, Beneficiation, Pelletization and Pig iron making since joining in the year 1986 as Graduate Engineer. During initial period, he served in Kudremukh mine Beneficiation Plant and later moved to Corporate Office, Technical Services Department, Bangalore in 1992 and executed projects viz: Crusher III installation, Relocation of Crusher I and installation of additional Ball Mills. Prior to assuming charge as Director (Commercial), he was GM (Materials) heading both the Materials & Commercial Divisions. He is instrumental in bringing tolling concept which has resulted in increased Capacity utilization of Pellet Plant. He has implemented risk management across the organization, introduced e-procurement through service provider MSTC and started GeM procurement. He is a life time member in Indian Institute of Materials management (IIMM) and Indian Institute of Mineral Engineers (IIME).	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.	There exists no relationship between Directors inter-se.
Directorship held in other listed entities	Nil	NIL
Cessation from listed entities (in past three years)	Nil	NIL
Membership/ Chairmanship of Committees of the Board	Member of Audit Committee, Stakeholder's Relationship Committee, Risk Management Committee and Investment, Project Appraisal & Monitoring Committee of the Company	Member of Corporate Social Responsibility Committee, Stakeholder's Relationship Committee, Risk Management Committee and Investment, Project Appraisal & Monitoring Committee of the Company
No. of Equity shares held in KIOCL Limited	NIL	200 equity shares of ₹ 10/- each

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 No. 6 & 7 of the accompanying Notice:

Item No. 6:- Appointment of Ms. Sukriti Likhi (DIN- 01825997) 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 23/04/2021, Ms. Sukriti Likhi (DIN- 01825997) was appointed as an Additional Director designated as Government Nominee Director who shall hold office until further orders.

Having so appointed, Ms. Sukriti Likhi 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 Ms. Sukriti Likhi 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 Ms. Sukriti Likhi 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	Ms. Sukriti Likhi (DIN: 01825997)
Date of Birth & Age	04/08/1968 and 53 years
Date of Appointment	23/04/2021
Qualifications	Ms. Sukriti Likhi holds a Master's in Public Administration from Harvard University (USA), a Master's in Sociology from the Delhi School of Economics and a Bachelor's degree in Economics (Honours) from Lady Shri Ram College.
Nature of expertise in Specific functional areas	Ms. Sukriti Likhi is an IAS, belonging to Haryana Cadre, 1993 and presently she is holding the post of Additional Secretary and Financial Advisor, Ministry of Steel, Government of India. Her varied experience in administration includes working in the Ministry of Finance, Government of India, as Director in the Department of Financial Services and later, as Counsellor (Economic) with the Embassy of India at Washington DC. Most recently she was Joint Secretary, Department of Heavy Industry, Ministry of Heavy Industries and Public Enterprises, Government of India. In the Haryana State Government, among her varied assignments, she served as Managing Director, Haryana Power Generation Corporation Ltd; as Managing Director HAFED (the Haryana State Cooperative Supply & Marketing Federation Limited) and as Finance Secretary. She has been associated with our Company as Government Nominee Director since April 23, 2021.
Disclosure of relationships between Directors inter-se	There exists no relationship between Directors inter-se.
Directorship held in other listed entities	1. NMDC Limited 2. Steel Authority of India Limited 3. MOIL Limited
Cessation from listed entities (in past three years)	NIL
Membership/ Chairmanship of Committees of the Board	NIL
No. of Equity shares held in KIOCL Limited	NIL

Item No. 7:- Ratification of the 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 2021-22, 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 re-enactment 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. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year 2021-22.

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.

By Order of the Board of Directors
KIOCL Limited,

Sd/-
(P K Mishra)
Company Secretary

Place: Bengaluru
Dated: 05/08/2021

The Resolutions listed for 45th Annual General Meeting are indicated below: -

Sl. No.	Resolution
ORDINARY BUSINESS	
1.	Adoption of Financial Statements for the year ended 31 st March, 2021 and the Reports of the Board of Directors and the Auditors thereon and Comments of the C&AG.
2.	To declare Final Dividend @ ₹ 1.64/- per Equity Share for the year ended 31 st March, 2021.
3.	Reappointment of Sri T. Saminathan (DIN: 08291153), as a Director who retires by rotation.
4.	Reappointment of Sri K.V. Bhaskara Reddy (DIN: 08672764), as a Director who retires by rotation.
5.	Fixing the remuneration of Statutory Auditors.
SPECIAL BUSINESS	
6.	Appointment of Ms. Sukriti Likhi (DIN: 01825997) as a Govt. Nominee Director, liable to retire by rotation.
7.	Ratification of the Remuneration of the Cost Auditor.

KIOCL OFFICES

REGISTERED OFFICE

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Bengaluru - 560 034
Tel No.: 080 25531461-70, 25535937-40
Fax No.: 080 25532153, 25535941, 25630984
E-mail: cs@kioclltd.in

MANGALURU OFFICE

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Mangaluru-575 010. Karnataka
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BLAST FURNACE UNIT

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Panambur, Mangaluru - 575 010
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NEW DELHI OFFICE

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SANDUR OFFICE

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L. B. Colony, Court Road,
Sandur-583 119. Bellary District, Karnataka
E-mail: smed@kioclltd.in

VISAKHAPATNAM OFFICE

Door No. 15-15-13/7, Flat No.: S-2
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Visakhapatnam-530 002
Andhra Pradesh
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E-mail: kioclvizag@kioclltd.in

KUDREMUKH OFFICE

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Fax No.: 08263 254117
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BACHELI OFFICE

Qtr. M. Type 111/FF/06
Near NMDC Bachel Guest House
Bachel - 494 553
Dantewada District, Chhattisgarh

BAGALKOT OFFICE

2 BH Staff Quarter in 1+2 Floor,
Premises of Divisional Office, KSMCL
Sector-63A, Nava Nagar,
Bagalkot - 587 103
Karnataka
E-mail: bktmed@kioclltd.in



KUDREMU KH

KIOT Limited

(A Government of India Enterprise)
CIN:L13100KA1976GOI002974

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