

ಕೆಐಒಸಿಎಲ್ ಅಮಿಟೆಡ್

(ಭಾರತ ಸರ್ಕಾರದ ಉದ್ಯಮ)

ನೋಂದಾಯಿತ ಕಾರ್ಯಾಲಯ :

೨ನೇ ವಿಭಾಗ, ಕೋರಮಂಗಲ

ಬೆಂಗಳೂರು - ೫೬೦ ೦೩೪.

ದೂರವಾಣಿ : ೦೮೦-೨೫೫೩೨೧೪೬೧ ರಿಂದ ೭೦

ಫ್ಯಾಕ್ಸ್ : ೦೮೦-೨೫೫೩೨೧೪೬-೫೯೪೧

ವೆಬ್ ಸೈಟ್ : www.kiocltd.in

के आई ओ सी एल लिमिटेड

(भारत सरकार का उद्यम)

पंजीकृत कार्यालय :

II ब्लॉक, कोरमंगला,

बैंगलूर - 560 034.

कार्यालय : 080-25531461-70

फैक्स : 080-25532153-5941

वेबसाइट : www.kiocltd.in

KIOCL LIMITED

(A Government of India Enterprise)

Registered Office :

II Block, Koramangala.

Bangalore - 560 034.

Telephone : 080-25531461-70

Fax : 080-25532153-5941

Website : www.kiocltd.in

CIN : L13100KA1976PLC002974



ಇಎಐಒ 9001, 14001 ಮತ್ತು

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आई एस ओ 9001, 14001 तथा

ओएचएसएस 18001 कम्पनी

ISO 9001, 14001 &

OHSAS 18001 COMPANY

No. S/BC/1 (18-5)/2018

May 22, 2018

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

Dear Sir/Madam,

Sub: Outcome of Board Meeting – Unaudited Financial Results, Final Dividend & Press Release

With reference to above, we hereby inform that: -

- The Board of Directors at its Meeting held on today i.e. May 22, 2018 has approved *inter-alia* the Audited Financial Results with Auditors Report for the quarter and year ended 31st March 2018. Copy of the same is enclosed herewith. [(Regulation 30(2) & 33(3)(c)(ii)]
- We further declare that Auditors have issued an audit report with unmodified opinion for the financial year ended 31.03.2018. [(Regulation 33(3)(d)]
- The Board has recommended a Final Dividend @ Rs. 1.06 per Equity Share of Rs. 10/- (including Interim Dividend @ Re.0.27 per Equity Share already paid) each to the shareholders for the financial year ended 31.03.2018, subject to the approval of the shareholders of the Company. The Company will inform in due course the date on which it will hold AGM for the year ended 31st March 2018 and the date on which dividend will be paid or warrants thereof will be dispatched to the shareholders. [(Regulation 30(2)]
- The Board approved the TEFRR for setting up of the following projects:-
 1. Forward and Backward integration projects to the Blast Furnace Unit of KIOCL Ltd, Mangalore;
 2. Setting up of a 2 mtpa capacity port based Pellet Plant on JV basis.
- A copy of Press Release titled “KIOCL REPORTS ROBUST FINANCIAL RESULTS IN FY 2017-18, PROFIT ZOOMED BY 175%” dated 22.05.2018 is enclosed herewith. [(Regulation 30)]

The Meeting of the Board of Directors commenced at 11:00 hrs (IST) and concluded at 14.50 hrs (IST)

This is for information and record please.

Thanking you,

Yours faithfully,
For KIOCL Limited,

(S. K. Padhi)
Company Secretary

KIOCL LIMITED

(A GOVERNMENT OF INDIA ENTERPRISE)

CIN - L13100KA1976GOI002974

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

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

Statement of Standalone Audited Financial Results for the Quarter and Year ended 31.03.2018

(Rs. in lakhs except EPS)

	Particulars	3 Months ended	Preceding 3 months ended	Corresponding Three months ended in the previous year	Year to date figures for current period ended	Previous accounting year ended
		31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017
		(Audited)	(Reviewed)	(Audited)	(Audited)	(Audited)
I.	Revenue					
1	Income from operations					
	(a) Net Sales/ Income from Operations	39872	44281	47624	160541	92936
	(b) Other Operating Income			650		1244
	Income from Operations	39872	44281	48274	160541	94180
	Other Income	6969	3112	3838	17903	14393
	Total Revenue	46841	47393	52112	178444	108573
II.	Expenditure					
	Cost of Materials Consumed	32481	30208	34325	111802	64866
	Purchases of Stock-in-Trade	1614	-	-	1614	-
	Changes in Inventories - Pellet Feed & Finished Products	(8112)	212	(3947)	(2837)	(5405)
	Power and Fuel	5217	6069	5175	19919	11452
	Employees Benefits Expense	7289	4400	4775	19515	15011
	Excise Duty on Sale of Finished Goods	-	-	4422	3482	5952
	Depreciation and Amortization Expense	141	626	451	1865	2202
	Other Expenses	2379	4101	3664	14424	11168
	Finance Costs	43		32	50	32
	Total Expenses	41052	45616	48897	169835	105278
III.	Profit/(Loss) before Exceptional Items (I-II)	5789	1777	3215	8609	3295
IV.	Exceptional Items			173		173
V.	Profit/(Loss) before Tax (III-IV)	5789	1777	3042	8609	3122
VI.	Tax Expenses	(217)	485	(1641)	461	(1671)
VII.	Profit/(Loss) after Tax (V-VI)	6006	1292	4683	8148	4793
VIII.	Other Comprehensive Income (Net of Tax)	332	(9)	(151)	307	(33)
IX.	Total Comprehensive Income (VII+VIII)	6338	1283	4532	8455	4760
X.	Earnings per Equity Share (EPS)					
	Equity Shares of par value Rs.10/- each					
	Number of Shares for computing EPS	634,513,800	634,513,800	634,513,800	634,513,800	634,513,800
	Basic and Diluted	0.95	0.20	0.74	1.28	0.76

Place: New Delhi
Date : 22.05.2018

By order of the Board
for KIOCL LIMITED



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

STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Lakhs)

Particulars	Figures as at the end of Current 31-03-2018	Figures as at the end of 31-03-2017
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	20,174.88	22,104.97
Capital Work-in-progress	176.42	72.25
Intangible Assets	46.70	-
Financial Assets		
i) Loans	100.30	118.80
ii) Other Financial Assets	73.88	142.21
Other Non-Current Assets	8.61	
Deferred Tax Assets (net)	2,478.69	3,346.29
Total Non-Current Assets	23,059.48	25,784.52
Current Assets		
Inventories	23,276.15	16,316.93
Financial Assets		
i) Trade Receivables	5,404.06	14,438.84
ii) Cash and Cash equivalents	33,964.56	49,257.35
iii) Bank Balances other than (ii) above	152,374.36	135,243.18
iv) Loans	66.55	64.88
v) Other Financial Assets	1,394.44	1,422.04
Current Income Tax Assets (net)	4,937.98	5,491.59
Other Current Assets	11,315.26	6,109.92
Total Current Assets	232,733.36	228,344.73
TOTAL ASSETS	255,792.84	254,129.25
EQUITY AND LIABILITIES		
Equity		
Share Capital	63,451.38	63,451.38
Other Equity	151,112.02	146,704.81
Total Equity	214,563.40	210,156.19
Liabilities		
Non-Current Liabilities		
Financial Liabilities	62.92	83.81
Employee Benefit Obligation	17,378.60	17,540.91
Total Non-current Liabilities	17,441.52	17,624.72
Current Liabilities		
Financial Liabilities		
i) Trade Payables	12,921.02	15,799.65
ii) Other Financial Liabilities	5,679.08	6,154.97
Employee Benefit Obligation	1,911.89	906.58
Other Current Liabilities	3,275.93	3,487.14
Total Current Liabilities	23,787.92	26,348.34
TOTAL EQUITY AND LIABILITIES	255,792.84	254,129.25

Place: New Delhi
Date : 22.05.2018

By order of the Board
for KIOCL LIMITED



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

KIOCL LIMITED

Segment wise Revenue, Results, Capital Employed for the quarter and year ended 31.03.2018

(Rs in Lakhs)

Particulars	3 Months ended	Preceding 3 months ended	Corresponding Three months ended in the previous year	Year to date figures for current period ended	Previous accounting year ended
	31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017
	(Audited)	(Reviewed)	(Audited)	(Audited)	(Audited)
1 Segment Revenue					
a) Pellet Plant	37344	43341	46645	155419	86746
b) Pig Iron Plant	1697		-	1705	7
c) Total	39041	43341	46645	157124	86753
Less : Inter segment revenue					
Add : Other Operating Revenue - O and M Contract-NMDC	831	940	791	3417	2897
Other Operating Revenue - O and M Contract-Kaliapani			188		401
Other Operating Revenue - NMDC Refund					2885
Net Sales/Income from Operation	39872	44281	47624	160541	92936
2 Segment Results					
a) Pellet Plant	2841	409	390	(1200)	(7319)
b) Pig Iron Plant	137	(1302)	(1038)	(2562)	(3972)
c) Un allocable					
i) Interest Income from Fixed Deposits and Short Term Capital gain from Investment in Mutual Fund	3099	2900	3838	12504	14393
ii) Service charge on O & M Services (Net of expenses)	(288)	(230)	(148)	(132)	20
Profit Before Tax	5788	1777	3042	8609	3122
Less: Tax Expenses	(217)	485	(1641)	461	(1671)
Net Profit(+)/ Loss(-) for the peirod	6006	1292	4683	8148	4793
3 Capital employed (Segment Assets - Segment Liabilities)					
a) Pellet Plant	24321	9475	5461	24321	5461
b) Pig Iron Plant	7238	6576	6898	7238	6898
c) Unallocable Corporate Assets less Liabilities	183004	194237	197797	183004	197797
Total	214563	210288	210156	214563	210156
4 Segment Assets					
Pellet Plant	41597	37111	35626	41597	35626
Blast Furnace Plant	8671	9274	9472	8671	9472
Un-allocable Assets	205525	206278	209031	205525	209031
Total	255793	252663	254129	255793	254129
5 Segment Liabilities					
Pellet Plant	17277	27699	30165	17277	30165
Blast Furnace Plant	1433	2590	2574	1433	2574
Un-allocable Liabilities	22520	11610	11234	22520	11234
Total	41230	41899	43973	41230	43973

1. The Financial Results for the Quarter and year ended 31st March 2018 are in compliance with Ind AS and other Accounting Principles accepted in India.
2. The above results have been reviewed by the Audit Committee and approved in the Meeting of the Board of Directors held on 22.05.2018.
3. Figures for the previous periods have been regrouped and/ or reclassified where ever necessary to conform with the current period.
4. Figures for the quarter ended March 31, 2018 and March 31, 2017 represent the difference between the audited figures in respect of full financial year and the published figures of nine months ended December 31, 2017 and December 31, 2016 respectively.
5. The Audited Accounts are subject to review by the Comptroller and Auditor General of India under Section 143(6) of the Companies Act, 2013.
6. The Board of Directors has recommended a Final Dividend of Rs. 1.06 Paise per share in addition to Interim Dividend of Rs.0.27 Paise per share paid on 31/03/2018 on Equity Shares of Rs. 10 each. The Final Dividend is subject to approval of shareholders in the Annual General Meeting.
7. Goods and Service Tax (GST) has been implemented w.e.f 1.7.2017 which replaces excise duty and other input taxes. As per Ind AS 18 the revenue for the quarter and year ended March 31st, 2018 is reported net of GST.

Place : New Delhi
Date : 22.05.2018

By order of the Board
for KIOCL LIMITED


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



Independent Auditor's Report

To the Members of KIOCL Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of KIOCL Limited ('the Company'), which comprise the balance sheet as at 31 March 2018, 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 a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have considered the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31 March 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note 23.35 to the financial statements which states that during the year the company, based on the recommendation of technical Committee, reclassified Inventory of stores & spares to "Capital stores and spares". Full (100%) provision is already made in the previous years since the spares are non-moving for more than the stipulated period as per the norms of the Company. Consequent upon reclassification, value of the stores is restored to its cost amounting to Rs1,331.43 Lakh, provision for non-moving capital spares of Rs.881.10 lakhs is withdrawn during the year. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

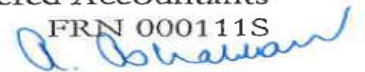
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the **Annexure A**, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by section 143(5), we have included in the **Annexure-B**, a statement on the matters specified in the 'Directions' and in our opinion, no action is required to be taken thereon and there is no impact on the accounts and financial statements of the company.
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.
 - (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, the statement of cash flows and the statement of changes in equity dealt with by this Report agree 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 relevant rule issued thereunder;
- (e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) 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**”; and
- (g) 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 as per 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 Note 23.2 B other notes forming part of the standalone Ind AS financial statements;
 - ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

New Delhi
Date. 22.05.2018

For Anand&Ponnappan
Chartered Accountants

FRN 000111S



R.Ponnappan
Partner

M No 21695



Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2018.

We report that:

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and based on our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) Physical verification of inventory has been conducted at reasonable intervals by the management and material discrepancies were not noticed;
- (iii) The Company has not granted loans to bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act").
- (iv) In our opinion and according to the information and explanations given to us, the Company has not entered in to any transaction attracting the provisions of section 185 and 186 of the Act.
- (v) The Company has not accepted any deposits from the public.
- (vi) Maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and such accounts and records have been so made and maintained.
- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax,, duty of customs, service tax, Goods and service tax,cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, Goods and service tax, cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, 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 :

(Rs. In
lakhs)

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending
Central Excise	Non-Payment of SAD on DTA clearance of pellets	1454.11	2010-11	CESTAT
Central Excise	Non-Payment of SAD on DTA clearance of pellets	1248.99	2011-12	CESTAT
Central Excise	Non-Payment of SAD on DTA clearance of pellets	3145.21	2011-12	CESTAT
Service tax	Service tax	21.18	2016-17	CESTAT
Income Tax*	Regular Assessment	391.77	2012-13	Commissioner of Income Tax (Appeals)
Income Tax*	Regular Assessment	456.22	2013-14	Commissioner of Income Tax (Appeals)
Income Tax*	Regular Assessment	192.94	2014-15	Commissioner of Income Tax (Appeals)
Income Tax*	Regular Assessment (* Adj against refund)	186.44	2015-16	Commissioner of Income Tax (Appeals)

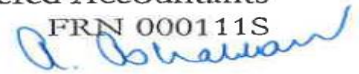
- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to 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 course of our audit.

- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) 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 Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) 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.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

New Delhi
Date. 22.05.2018

For Anand&Ponnappan
Chartered Accountants

FRN 000111S



R.Ponnappan
Partner
M No 21695



Annexure B to the Auditors Report
On the statement of the matters specified in the directions of Comptroller and Auditor
General of India

1. Whether the company has, clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/lease deed are not available

According to the information and explanations given to us, all leasehold and freehold land reflected in the books of accounts are registered in the name of the company except those specified in Note No.23.1 to the financial statements.

2. Whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved

According to the information and explanations given to us, during the year under audit, there are no cases of waiver/ write off of debts/loans/interest.

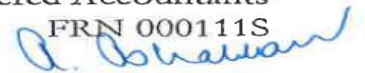
3. Whether proper records are maintained for inventories lying with third parties & assets received as gifts/ grants from Government or other authorities

According to the information and explanations given to us no portion of the inventories is lying with the third parties and no assets have been received as gift/grant from Government or other authorities.

New Delhi
Date. 22.05.2018

For Anand&Ponnappan
Chartered Accountants

FRN 000111S



R.Ponnappan
Partner

M No 21695



Annexure - C to the Auditors' Report

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 (“the Company”) as of 31 March 2018, in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is 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 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.

Auditors’ 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”) 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 applicable to an audit of Internal Financial Controls and, 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 standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis 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

- a. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b. 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 authorization of management and directors of the company; and
- c. 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.

The management has reconciled physical verification to inventory records and necessary adjustments have been made in the books once in a year to reconcile the books with physical verification results after appropriate approvals.

Control accounts in respect of creditors for goods and services and debtors are maintained manually outside the system

However, we applied testing controls through inquiry combined with other procedures, such as observation of activities, inspection of less formal documentation, or performance of certain controls to provide sufficient evidence about whether the control is effective.

Opinion

In our opinion, the fundamental requirement of effective internal control is a process effected by people that supports the organization in several ways, enabling it to provide reasonable assurance regarding risk and to assist in the achievement of objectives

Therefore, 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 31 March 2018, 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.

New Delhi
Date. 22.05.2018

For Anand&Ponnappan
Chartered Accountants

FRN 000111S

R. Ponnappan

R.Ponnappan
Partner
M No 21695



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ಕೆಐಒಸಿಎಲ್ ಅಮಿಟೆಡ್

(ಭಾರತ ಸರ್ಕಾರದ ಉದ್ಯಮ)

ನೊಂದಾಯಿತ ಕಾರ್ಯಾಲಯ :
೨ನೇ ವಿಭಾಗ, ಕೋರಮಂಗಲ
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ದೂರವಾಣಿ : ೦೮೦-೨೫೫೩೨೧೪೬೧ ರಿಂದ ೭೦
ಫ್ಯಾಕ್ಸ್ : ೦೮೦-೨೫೫೩೨೧೫೩-೫೯೪೧
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के आई ओ सी एल लिमिटेड

(भारत सरकार का उद्यम)

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CIN : L13100KA1976PLC002974



ISO 9001, 14001 ಮತ್ತು
OHSAS 18001 ಸಂಸ್ಥೆ
आई एस ओ 9001, 14001 तथा
ओएचएसएस 18001 कम्पनी
ISO 9001, 14001 &
OHSAS 18001 COMPANY

Press Release

May 22, 2017

KIOCL REPORTS ROBUST FINANCIAL RESULTS IN FY 2017-18, PROFIT ZOOMED BY 175%

KIOCL Limited, Central PSU under Ministry of Steel declared the Financial Results for the 4th quarter and financial year 2017-18. During the said year, the Company reported income from operations at Rs. 1605.41 Cr, with profit before tax at Rs. 86.09Cr, up 73% & 175% respectively on Y-O-Y.

Sri MV Subba Rao, CMD, KIOCL informed that the Pellet Plant continued to perform better at the back of improved production, Sales Volume along with better capacity utilization and successful implementation of Make in India concept. The company also informed that it has taken many initiatives like multiple sourcing of raw materials, effective utilization of coastal transportation, Indigenization of various raw materials/spares, proper inventory management system, etc., thereby reducing input cost and increasing the realisation.

The highlight of performance is summarized as under:

Key highlights - FY 2017-18

- Pellet Production 2.33 Million Ton, , up by 59%
- Pellet Dispatch 2.30 Million tons, , up by 66%
- Revenue from Operations Rs. 1605.41 crores, up by 73%
- Operating EBIDTA Rs. 105.24 crores, up by 90%
- Profit before Tax Rs. 86.09 crores, , up by 175%
- Profit after Tax Rs. 81.48 crores, , up by 70%

Operational Performance

Sri N. Vidyananda, Director (P&P) informed that in FY 17-18, KIOCL produced 2.33 Million Ton and dispatched 2.30 million tons of pellets out of which 1.46 million tons of pellets were exported during the year. This is the highest quantity of pellets produced and dispatched since the closure of its captive mines. The increase in sales could be achieved as a result of innovative marketing initiatives introduced by KIOCL.

KIOCL also made use of its expertise of handling different types of ores to produce pellets and its locational advantage entered into back to back contracts to the tune of about 0.6 million tons. This also helped KIOCL to expand its exports to Iran, Japan, South Korea and Oman in addition to its regular domestic and international markets.

Financial Performance

KIOCL recorded revenue from operations for the FY 2017-18 at Rs. 1605.41 crores, up by 73% YoY. Operating EBITDA for the year grew by 90% YoY to Rs. 105.24 crores. The Company posted profit before tax of Rs. 86.09 crores for the year witnessing a growth of 175 % YoY.

Dividend: -

The Board of Directors have recommended a final dividend of Rs 1.06 per equity share, subject to the approval of the shareholders at the Annual General Meeting. Together with an interim dividend of Re.0.27 per equity share, the total dividend for the financial year ended 31st March, 2018 amounts to Rs 67.26 Crores and will absorb Rs. 80.95 crores, including Dividend Distribution Tax of Rs.13.69 crores, thereby distributing 100% of PAT.

Projects: -

The Board approved the TEFR for setting up of the following projects:-

1. Forward and Backward integration projects to the Blast Furnace Unit of KIOCL Ltd, Mangalore; and
2. Setting up of a 2 mtpa capacity port based Pellet Plant on JV basis.
