

ಕೆಐಒಸಿಎಲ್ ಅಮಿಟೆಡ್

(ಭಾರತ ಸರ್ಕಾರದ ಉದ್ಯಮ)

ನೋಂದಾಯಿತ ಕಾರ್ಯಾಲಯ :

2ನೇ ವಿಭಾಗ, ಕೋರಮಂಗಲ

ಬೆಂಗಳೂರು - 560 034.

ದೂರವಾಣಿ : 080-25531461-70 ರಿಂದ 20

ಫ್ಯಾಕ್ಸ್ : 080-25532153-5941

ವೆಬ್ ಸೈಟ್ : www.kioclltd.in

के आई ओ सी एल लिमिटेड

(भारत सरकार का उद्यम)

पंजीकृत कार्यालय :

11 ब्लॉक, कोरमंगला,

बैंगलूर - 560 034.

कार्यालय : 080-25531461-70

फैक्स : 080-25532153-5941

वेबसाइट : www.kioclltd.in

KIOCL LIMITED

(A Government of India Enterprise)

Registered Office :

11 Block, Koramangala.

Bangalore - 560 034.

Telephone : 080-25531461-70

Fax : 080-25532153-5941

Website : www.kioclltd.in

CIN : L13100KA1976PLC002974



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

No. S/BC/1 (18-5)/2019/485

May 21, 2019

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

Dear Sir/Madam,

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

With reference to above, we hereby inform that: -

- The Board of Directors at its Meeting held on today i.e. May 21, 2019 has approved *inter-alia* the Audited Financial Results alongwith the Auditors Report for the quarter and year ended 31st March 2019. Copy is annexed. [(Regulation 30(2) & 33(3)(c)(ii)]
- A declaration from Chief Financial Officer of the Company that Statutory Auditors have given the audit report with unmodified opinion for the FY ended 31.03.2019. [(Regulation 33(3)(d)]
- The Board has recommended a Final Dividend @ Rs. 1.33 per Equity Share of Rs. 10/- each to the Shareholders for the Financial Year ended 31.03.2019, 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 2019 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 appointment of Mr. S Viswanathan, Practicing Company Secretary as the Secretarial Auditor of the Company for a period of three Financial Years from 2018-19 to 2020-21. (Brief Profile of Secretarial Auditor is Annexed herewith)

The Meeting of the Board commenced at 11:30 Hrs (IST) and concluded at 14.30 Hrs (IST)

This is for information and record please.

Thanking you,

Encl: as above

Yours faithfully,
For KIOCL Limited,

(P.K. Mishra)
Company Secretary &
Compliance Officer

KIOCL LIMITED

(A GOVERNMENT OF INDIA ENTERPRISE)

CIN - L13100KA1976GOI002974

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

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

Statement of Standalone Audited Financial Results for the Quarter and Year ended 31.03.2019

(Rs. in lakhs except EPS)

Particulars	3 Months	Preceding	Corresponding	Current	Previous
	ended	3 months	Three months	Accounting	Accounting
	31.03.2019	31.12.2018	ended in the	year	year
	(Audited)	(Un-Audited)	previous year	ended	ended
			31.03.2018	31.03.2019	31.03.2018
			(Audited)	(Audited)	(Audited)
I. Revenue					
1 Income from operations					
(a) Net Sales/ Income from Operations	62,903	42,463	39,872	187,226	160,541
(b) Other Operating Income	1,545	-	2,996	1,545	3,177
Income from Operations	64,448	42,463	42,868	188,771	163,718
Other Income	4,038	2,777	3,973	12,497	14,726
Total Revenue	68,486	45,240	46,841	201,268	178,444
II. Expenditure					
Cost of Materials Consumed	38,713	42,370	32,481	128,685	111,802
Purchases of Stock-in-Trade	-	-	1,614	-	1,614
Changes in Inventories - Pellet Feed & Finished Products	5,568	(15,447)	(8,112)	(4,031)	(2,837)
Power and Fuel	7,189	7,037	5,217	23,794	19,919
Employees Benefits Expense	3,230	4,353	7,289	16,821	19,515
Excise Duty on Sale of Finished Goods	-	-	-	-	3,482
Depreciation and Amortization Expense	405	507	141	1,927	1,865
Other Expenses	3,585	3,712	2,379	15,579	14,424
Finance Costs	0	3	43	80	50
Total Expenses	58,690	42,535	41,052	182,856	169,835
III. Profit/(Loss) before Exceptional Items (I-II)	9,796	2,705	5,789	18,412	8,608
IV. Exceptional Items	-	-	-	-	-
V. Profit/(Loss) before Tax (III-IV)	9,796	2,705	5,789	18,412	8,608
VI. Tax Expenses	5,313	590	(217)	7,226	461
VII. Profit/(Loss) after Tax (V-VI)	4,483	2,115	6,006	11,186	8,148
VIII. Other Comprehensive Income (Net of Tax)	1,090	-	332	1,090	307
IX. Total Comprehensive Income (VII+VIII)	5,572	2,115	6,338	12,276	8,455
X. Earnings per Equity Share (EPS)					
Equity Shares of par value Rs.10/- each					
Number of Shares for computing EPS	621,925,565	628,356,511	634,513,800	629,857,877	634,513,800
Basic & Diluted	0.72	0.34	0.95	1.78	1.28

Place: New Delhi
Date : 21.05.2019

By order of the Board
for KIOCL LIMITED



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



Statement of Assets and Liabilities

Rs. in Lakhs

Particulars	Figures as at the end of 31-03-2019	Figures as at the end of 31-03-2018
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	20,042.47	20,174.88
Capital Work-in-progress	356.58	176.42
Other Intangible Assets	6.48	
Intangible Assets Under Development	63.81	46.70
Financial Assets		
i) Loans	101.89	100.30
ii) Other Financial Assets	95.81	73.88
Other Non-Current Assets	542.47	8.61
Deferred Tax Assets (net)		2,478.69
Total Non-Current Assets	21,209.51	23,059.48
Current Assets		
Inventories	30,886.63	23,276.15
Financial Assets		
i) Trade Receivables	6,377.89	5,404.06
ii) Cash and Cash equivalents	55,750.33	33,964.56
iii) Bank Balances other than (ii) above	101,167.36	152,374.36
iv) Loans	67.44	66.55
v) Other Financial Assets	1,149.66	1,394.44
Current Income Tax Assets (net)	3,592.40	4,937.98
Other Current Assets	12,077.37	11,315.26
Total Current Assets	211,069.08	232,733.36
TOTAL ASSETS	232,278.59	255,792.84
EQUITY AND LIABILITIES		
Equity		
Share Capital	62,192.56	63,451.38
Other Equity	137,203.28	151,112.02
Total Equity	199,395.84	214,563.40
Liabilities		
Non-Current Liabilities		
Financial Liabilities	71.71	62.92
Employee Benefit Obligation	8,540.11	17,378.60
Deferred Tax Liability (Net)	975.03	
Total Non-current Liabilities	9,586.85	17,441.52
Current Liabilities		
Financial Liabilities		
i) Trade Payables	10,764.37	12,921.02
ii) Other Financial Liabilities	8,638.67	5,679.08
Employee Benefit Obligation	604.12	1,911.89
Other Current Liabilities	3,288.74	3,275.93
Total Current Liabilities	23,295.90	23,787.92
TOTAL EQUITY AND LIABILITIES	232,278.59	255,792.84

Place: New Delhi
Date : 21.05.2019

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 31.03.2019

Particulars	3 Months	Preceding	Corresponding	Current	Previous
	ended	3 months	Three months	Accounting	Accounting
	31.03.2019	ended	ended in the	year	year
	(Audited)	(Un-Audited)	previous year	ended	ended
			31.03.2018	31.03.2019	31.03.2018
			(Audited)	(Audited)	(Audited)
1 Segment Revenue					
a) Pellet Plant	61,683	41,066	37,344	182,597	151,828
b) Pig Iron Plant	133	-	1,697	280	1,705
c) Total	61,817	41,066	39,041	182,878	153,532
Less: Inter segment revenue	-	-	-	-	-
Add : Other Operating Revenue - O and M Contract-NMDC	880	1,397	831	3,993	3,526
Other Operating Revenue - O and M Contract-Kaliapani	91	-	-	91	-
Other Operating Revenue	1,810	-	-	1,810	3,177
Net Sales/Income from Operation	64,598	42,463	39,872	188,772	160,235
2 Segment Results					
a) Pellet Plant	6,342	469	2,841	7,582	(1,200)
b) Pig Iron Plant	(426)	(516)	137	(1,789)	(2,562)
c) Un allocable					
i) Interest Income from Fixed Deposits and Short Term Capital gain from Investment in Mutual Fund	3,049	2,699	3,099	11,165	11,283
ii) Service charge on O & M Services (Net of expenses)	303	53	(288)	927	(132)
Profit Before Tax	9,268	2,705	5,789	18,412	8,608
Less: Tax Expenses	5,313	590	(217)	7,226	461
Net Profit(+)/ Loss(-) for the period	3,955	2,115	6,006	11,185	8,148
3 Capital employed					
<u>(Segment Assets - Segment Liabilities)</u>					
a) Pellet Plant	10,133	49,577	24,321	10,133	24,321
b) Pig Iron Plant	(1,789)	6,942	7,238	(1,789)	7,238
c) Unallocable Corporate Assets less Liabilities	191,052	137,305	183,004	191,052	183,005
Total	199,396	193,824	214,563	199,396	214,563
4 Segment Assets					
Pellet Plant	50,032	74,175	41,597	50,032	41,597
Blast Furnace Plant	8,851	8,693	8,671	8,851	8,671
Un-allocable Assets	173,395	157,439	205,525	173,395	205,525
Total	232,279	240,307	255,793	232,279	255,793
5 Segment Liabilities					
Pellet Plant	16,122	16,637	17,277	16,122	17,277
Blast Furnace Plant	1,703	1,751	1,433	1,703	1,433
Un-allocable Liabilities	32,883	28,095	22,520	32,883	22,520
Total	50,709	46,483	41,230	50,709	41,230

- The Financial Results for the Quarter and year ended 31st March 2019 are in compliance with Ind AS and other Accounting Principles accepted in India.
- The above results have been reviewed by the Audit Committee and approved in the Meeting of the Board of Directors held on 21.05.2019
- Figures for the previous periods have been regrouped and/ or reclassified where ever necessary to conform with the current period.
- Figures for the quarter ended March 31, 2019 and March 31, 2018 represent the difference between the audited figures in respect of full financial year and the published figures of nine months ended December 31, 2018 and December 31, 2017 respectively.
- The Audited Accounts are subject to review by the Comptroller and Auditor General of India under Section 143(6) of the Companies Act, 2013.
- The Board of Directors has recommended a Final Dividend of Rs.1.33 per share on Equity Shares of Rs.10 each. The Final Dividend is Shareholders in the Annual General Meeting.

Place : New Delhi
Date : 21.05.2019

By order of the Board
for KIOCL LIMITED

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



Independent Auditor's Report

To The Members of the KIOCL LIMITED

Report on the standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone IND AS financial statements of **KIOCL Limited** (Referred to as the **Company**) which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and Statement of changes in Equity for the year then ended, and notes to the Financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information, in the manner so required, and give a true and fair view in conformity with the Indian Accounting standard prescribed under section 133 of the Companies Act 2013 and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

1. Impairment of property, plant and equipment: -

The operation of **Blast Furnace Unit** has been suspended since 2009 due to the commercial non-viability of manufacturing of pig iron. The company has done the impairment test as stated under 12(b) of Ind AS 36 from an approved valuer and accordingly the fair values of the machinery determined are more than the carrying cost.

Similarly, **the Kudremukh Unit** from where iron ore was extracted by KIOCL Limited, is abandoned long time back and all the assets located therein are either disposed of or transferred to Pellet Plant. Owing to disputes relating to land and pending issues on surrender of mines, the buildings in the township are reduced to nil value but value of the land continues to be shown in the books of accounts. The company is of the view that Lakya dam therein is the main water source for the pellet plant, the land value is shown under PPE.

2. Valuation of inventory: -

As the company is in existence for more than 42 years and continue manufacturing of 'Pellet' has piled up significant inventory of non-moving spare parts, presently re-classified under capital spares and valued at cost.

The management is of the view that these capital spares have a definite use, but owing to the nature of industry their replacement value could not be ascertained and therefore retained at cost.

3. Estimates: The Accounting Standards and Accounting Policies require the Company to make estimates and assumptions about future events that directly affect its reported financial condition and operating performance. The following accounting estimates and assumptions considered at the end of the reporting year may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial years.

➤ Useful lives of property, plant and equipment:

The Corporation reviews the estimated useful lives of property, plant and equipment at the end of each reporting year. The financial effect of this reassessment, assuming the assets are held until the end of their estimated useful lives, is an increase/decrease the depreciation expense in the current financial year and future years.

➤ Estimation of defined benefit obligation:

The cost of defined benefits plan including other post-employment benefits and the present value of such obligations are determined using actuarial valuations. The Unit has adopted the valuation and figures as submitted by its corporate office. The actuarial assumptions on retirement benefits are subject to various assumptions like mortality rate, inflation on salary and attrition rate. Any changes will significantly influence the assumptions. We have relied upon valuation of 'actuary' in accordance with SA 620 issued by ICAI.

3. GST:

Company is availing input credit on the eligible inputs under the GST act and the rules made there under. The company is also claiming refunds on the zero-rated supply namely export of goods. The input credits are grouped under Loans and advance in current asset. However, the

company not reconciled the input credit with the Electronic Credit Ledger available under the GST portal. It was explained to us that the entries in the Electronic Credit Ledger are pending reconciliation and the effect of the reconciliation in the opinion of the management is not material considering the turnover and the profit of the company.

4. Disputed Liability

The company has disclosed in their notes to Financial Accounts disputes with Railways across the country which are pending before various courts and not resolved for many years.

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate **internal financial controls**, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so those Board of Directors are also responsible for overseeing the company's financial reporting process

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

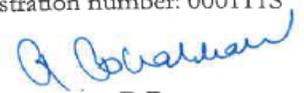
A further description of our responsibilities for the audit of the financial statements is included in **Appendix** of this Auditors' Report, forms part of our Auditors' report.

Other Matter -None

Report on Other Legal and Regulatory Requirements

1. As required under the directions and sub-directions issued by the Comptroller and Auditor General of India in terms of Sub-section (5) of Section 143 of the Companies Act 2013, we are enclosing our report in **Annexure A**.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable our report thereon is enclosed as **Annexure B**
3. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. Accordingly, we have relied upon the expenditure statement as certified by the management.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. With respect to the adequacy of the **internal financial controls** over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure C**".
 - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 23.2(B) to the financial statements;
 - ii. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Unit of the Company.

For Anand & Ponnappan
Chartered Accountants
Firm's registration number: 000111S



R Ponnappan
Partner

Membership number: 021695

Place: New Delhi

Date: 21.05.2019



Appendix

Auditor's Responsibility for the Audit of the Financial Statements

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

- a. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Implementation Guide on Reporting Standards 87 company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Place: New Delhi
Date:21.05.2019



For Anand & Ponnappan
Chartered Accountants
Firm's registration number: 000111S

R Ponnappan
Partner

Membership number: 021695

ANNEXURE A
To The Independent Auditors' Report Of Even Date on The Standalone Ind
AS Financial Statements Of KIOCL Limited

Report on Directions issued by the Comptroller and Auditor General of
India under section 143(5) of the Companies Act, 2013)

1. The unit of the company has a system in place to process all the accounting transactions through IT system. Transactions relating to Inventory are recorded in a separate "Software" called Price Stores ledger (PSL) which is not integrated with Financial Accounting System. Similarly production details are not linked to Financial Accounting System. However, there are no implications (whether financial or otherwise) of processing of accounting transactions through IT system on the integrity of the accounts.
2. According to the information & explanations given to us, there is no restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender. As such, there is no financial implication involved.
3. According to the information & explanations given to us, the company has received funds of Rs.11.20 lakhs from Government of India –Ministry of Steel which is disbursed to Dayananda Sagar College of Engineering, Bangalore for carrying out research and Development on Synthesis of Kudremukh Iron Ore Mine Tailings based Geopolymer Aggregate using Ash as Precursor in Construction Industry.

Place: New Delhi
Date:21.05.2019



For Anand & Ponnappan
Chartered Accountants
Firm's registration number: 000111S

R Ponnappan
Partner
Membership number: 021695

Annexure - B 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 2019.

We report that:

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

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.

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.
6. 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.
7. 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 2019 for a period of more than six months from the date they became payable.

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:

Statute	Nature of Dues	Amount in Lakhs	Period to which relates	Forum where dispute pending
Excise	Non-payment of SAD on DTA clearance of Pellets	1454.11	2010-11	CESTAT
Excise	Non-payment of SAD on DTA clearance of Pellets	1248.99	2011-12	CESTAT
Excise	Non-payment of SAD on DTA clearance of Pellets	3145.21	2011-12	CESTAT
Service Tax	Service Tax	111.33	2012-13 to 2016-17	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.
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.
10. 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 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. 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.

13. 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.
14. 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.
15. 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.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place: New Delhi
Date:21.05.2019



For Anand & Ponnappan
Chartered Accountants
Firm's registration number: 000111S

R Ponnappan
Partner
Membership number: 021695

ANNEXURE C

To The Independent Auditor's Report of Even Date on the Stand Alone Ind-As Financial Statements Of KIOCL Limited

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 financials controls over financial reporting **KIOCL Limited** as of and for the year ended March 31, 2019, in conjunction with our audit of the Standalone Ind AS financial statements of the Unit.

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 I/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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting. 184

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Unit has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: New Delhi
Date: 21.05.2019



For Anand & Ponnappan
Chartered Accountants
Firm's registration number: 000111S

R Ponnappan
Partner

Membership number: 021695

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ಕೆಐಒಸಿಎಲ್ ಅಮಿಟೆಡ್

(ಭಾರತ ಸರ್ಕಾರದ ಉದ್ಯಮ)

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

ದೂರವಾಣಿ : ೦೮೦-೨೫೫೩೧೪೬೧ ರಿಂದ ೭೦
ಫ್ಯಾಕ್ಸ್ : ೦೮೦-೨೫೫೩೧೪೬೧-೫೯೪೧
ವೆಬ್ ಸೈಟ್ : www.kiocltd.in

के आई ओ सी एल लिमिटेड

(भारत सरकार का उद्यम)

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बेंगलूर - 560 034.

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KIOCL LIMITED

(A Government of India Enterprise)

Registered Office :
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Website : www.kiocltd.in
CIN : L13100KA1976PLC002974



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

DECLARATION

In terms of Regulation 33(3) (d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No.CIR/CFD/CNID/56/2016 dated May 27, 2016, we hereby declare that M/s Anand & Ponnappan, Chartered Accountants, the Statutory Auditors of the Company have given the audit report with unmodified opinion on the financial results of the Company for the period ended on 31st March, 2019.

For KIOCL Limited

(S. K. Gorai)

Director (Finance) & CFO

DIN: - 07223221

Date: - 21/05/2019

Place: - New Delhi

ಕೆಐಸಿಎಲ್ ಅಮಿಟೆಡ್

(ಭಾರತ ಸರ್ಕಾರದ ಉದ್ಯಮ)

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

BRIEF PROFILE OF THE SECRETARIAL AUDITOR

The Secretarial Auditor Mr. S. Viswanathan is B.Com and Associate Member of ICSI with CP No. 5284. Mr. S. Viswanathan has working experience in Public Sector and Private Sector Companies and has been Practising since the last 17 years and has conducted Secretarial Audit for a number of State and Central Public Sector Undertakings.

P.K. Mishra

(P.K. Mishra)

Company Secretary &
Compliance Officer