

ಕೆಐಒಸಿಎಲ್ ಲಿಮಿಟೆಡ್

(ಭಾರತ ಸರ್ಕಾರದ ಉದ್ಯಮ)

ನೋಂದಾಯಿತ ಕಾರ್ಯಾಲಯ :

ಎನ್‌ಎ ವಿಭಾಗ, ಕೋರಮಂಗಲ

ಬೆಂಗಳೂರು - ೫೬೦ ೦೩೪.

ದೂರವಾಣಿ : ೦೮೦-೨೫೫೩೦೪೬೧ ರಿಂದ ೭೦

ಫ್ಯಾಕ್ಸ್ : ೦೮೦-೨೫೫೩೦೪೬೨-೫೯೪೧

ವೆಬ್ ಸೈಟ್ : www.kioclltd.co.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.kioclltd.co.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.kioclltd.co.in

CIN : L13100KA1976PLC002974

May 29, 2017



ಐಎಸ್‌ಒ 9001, 14001 ಮತ್ತು
ಓಹೆಸ್‌ಎಸ್‌ಎಸ್‌ 18001 ಸಂಸ್ಥೆ

आई एस ओ 9001, 14001 तथा
ओएचएसएसएस 18001 कम्पनी

ISO 9001, 14001 &
OHSAS 18001 COMPANY

No. S/BC/1 (18-5)/2017/

1. National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block-G,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051

Through: NEAPS

2. Metropolitan Stock Exchange of India Ltd.
Vibgyor Towers, 4th Floor, Plot No C 62,
G - Block, Bandra Kurla Complex, Bandra (E),
Mumbai - 400 098

Through: mylisting

Ref: - Symbol: KIOCL, ISIN: INE880L01014

Dear Sir,

Sub: **Outcome of Board Meeting held on May 29, 2017**

With reference to above, we hereby submit / inform that:

1. The Board of Directors at its Meeting held on today i.e. May 29, 2017, commenced at 2.30 PM and concluded at 5.30 PM has approved *inter alia* the Audited Financial Results with Auditors Report for the Quarter & Year ended 31st March 2017. Copy of the same alongwith Form-A - Audit Report with unmodified opinion is enclosed herewith. The results are also being uploaded on the Company's website at www.kioclltd.in.
2. Press Release dated May 29, 2017 on the Audited Financial Results of the Company for the Quarter & Year ended 31st March 2017 is enclosed herewith.
3. The Board has also recommended Final Dividend @ Re. 0.37 per Equity Share of Rs. 10/- (including Interim Dividend @ Re.0.11 per Equity Share) each to the shareholders for the financial year ended 31.03.2017, subject to the approval of the shareholders of the Company. The Company will inform in due course the date on which the Company will hold AGM for the year ended 31st March 2017 and the date from which dividend will be paid or warrants thereof will be dispatched to the shareholders.

Please take the above intimation on record.

Thanking you,

Encl: as above

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@kioclidtd.com, Website: www.kioclidtd.in

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED AS ON 31ST MARCH 2017

(Rs In Lakhs)

Particulars		3 Months ended 31.03.2017	Preceding 3 months ended 31.12.2016	Corresponding 3 months ended in Previous Year 31.03.2016	Year to date figures for Current Period ended 31.03.2017	Previous Accounting Year ended 31.03.2016
		Note 2	(Reviewed)	Note 2	(Audited)	(Audited)
1		2	3	4	5	6
1	Income from Operations					
	(a) Gross Sales/ Income from Operations	47,624	32,138	9,475	92,936	20,557
	(b) Other Operating Income	650	171	3,234	1,244	5,765
	Total Income from Operations	48,274	32,309	12,709	94,180	26,322
2	Expenses					
	(a) Cost of materials consumed	34,325	20,683	1,610	64,866	6,060
	(b) Purchase of Stock-in-Trade	-	-	-	-	-
	(c) Changes in inventories of Finished goods, work in progress and Stock in trade	(3,947)	2,746	9,291	(5,405)	21,103
	(d) Power & Fuel	5,175	3,855	100	11,452	1,749
	(e) Employees Benefits Expenses	4,775	3,370	1,186	15,011	11,802
	(f) Excise Duty on Sale of finished goods-Pellet	4,422	1,076	330	5,952	2,155
	(g) Depreciation & DRE	451	557	(302)	2,202	2,251
	(h) Others	3,664	3,455	(110)	11,168	5,785
	Total Expenses	48,865	35,742	12,105	105,246	50,905
3	Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2)	(591)	(3,433)	604	(11,066)	(24,583)
4	Other Income	3,838	3,357	4,517	14,393	15,617
5	Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)	3,247	(76)	5,121	3,327	(8,966)
6	Finance Costs	32	-	-	32	1
7	Profit/(Loss) from ordinary activities after finance costs and before exceptional items (5-6)	3,215	(76)	5,121	3,295	(8,967)
8	Exceptional items	173	-	-	173	-
9	Profit(+)/Loss(-) from Ordinary Activities before Tax (7+/-8)	3,042	(76)	5,121	3,122	(8,967)
10	Tax Expenses	(1,641)	(65)	(895)	(1,671)	(952)
11	Net Profit(+)/Loss(-) from Ordinary Activities after Tax (9-10)	4,683	(11)	6,016	4,793	(8,015)
12	Extraordinary Items (net of Tax expenses)	-	-	-	-	-
13	Net Profit(+)/ Loss(-) for the period (11-12)	4,683	(11)	6,016	4,793	(8,015)
14	Share of profit/(Loss) of associates	NA	NA	NA	NA	NA
15	Minority Interest	NA	NA	NA	NA	NA
16	Net Profit/(Loss) after Taxes, Minority Interest and Share of profit/(Loss) of associates (13+14+15)	4,683	(11)	6,016	4,793	(8,015)
17	Other Comprehensive Income	(151)	39	(68)	(33)	51
18	Total Comprehensive Income	4,532	28	5,948	4,760	(7,964)
19	Paid-up equity share capital (Face value of the share Rs.10 each)	63,451	63,451	63,451	63,451	63,451
20	Reserves excluding Revaluation Reserves as per Balance sheet of previous accounting year	-	-	-	146,705	142,790
21.i	Earning Per Share (before extraordinary items) (of Rs.10 each)					
	(a) Basic and diluted EPS before Extraordinary items for the period, for the year to date and for the previous year (Rs)	0.74	(0.00)	0.95	0.76	(1.26)
21.ii	Earning Per Share (after extraordinary items) (of Rs.10 each)					
	(a) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (Rs)	0.74	(0.00)	0.95	0.76	(1.26)

Particulars		3 Months ended 31.03.2017	Preceding 3 months ended 31.12.2016	Corresponding 3 months ended in the Previous Year 31.03.2016	Year to date figures for Current Period ended 31.03.2017	Previous Accounting Year ended 31.03.2016
		Note 2	(Reviewed)	Note 2	(Audited)	(Audited)
A	Particulars of Shareholding:	2	3	4	5	6
1	Public shareholding					
	- Number of shares	6,369,670	6,369,670	6,369,670	6,369,670	6,369,670
	- Percentage of shareholding	1.0039%	1.0039%	1.0039%	1.0039%	1.0039%
2	Promoters and Promoter Group shareholding					
	(a) Pledged / encumbered:					
	- Number of shares	-	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-
	- Percentage of shares (as a % of the total share capital of the Company)	-	-	-	-	-
	(b) Non-encumbered					
	- Number of shares	628,144,130	628,144,130	628,144,130	628,144,130	628,144,130
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%
	- Percentage of shares (as a % of the total share capital of the Company)	98.9961%	98.9961%	98.9961%	98.9961%	98.9961%
B	Investors Complaints:	Quarter ended 31.03.2017				
	Pending at the beginning of the quarter	Nil				
	Received during the quarter	Nil				
	Disposed of during the quarter	Nil				
	Remaining unresolved at the end of the year	Nil				

[Signature]

Particulars		3 Months ended 31.03.2017	Preceding 3 months ended 31.12.2016	Corresponding 3 months ended in the Previous Year 31.03.2016	Year to date figures for Current period ended 31.03.2017	Previous Accounting year ended 31.03.2016
		Note 2	(Reviewed)	Note 2	(Audited)	(Audited)
1		2	3	4	5	6
Segment Revenue						
a) Pellet Plant		46,645	31,261	9,124	86,746	19,845
b) Pig Iron Plant		-	4	35	7	135
c) Total		46,645	31,265	9,159	86,753	19,980
Less: Inter Segment Revenue						
Add: Other Operating Revenue-O & M Contract- MRPL		-	-	9	-	226
Other Operating Revenue-O & M Contract- NMDC		791	690	26	2,897	70
Other Operating Revenue-O & M Contract- Kaliapani		188	183	281	401	281
Other Operating Revenue-NMDC Refund				-	2,885	-
1 Net Sales/Income from Operation		47,624	32,138	9,475	92,936	20,557
2 Segment Results						
a) Pellet Plant		390	(2,300)	1,832	(7,319)	(21,361)
b) Pig Iron Plant		(1,038)	(1,170)	316	(3,972)	(1,385)
c) Un allocable						
i) Interest Income from fixed deposits		3,838	3,357	4,517	14,393	15,617
ii) Service charge on O & M Services(Net of expenses)		(148)	37	(1,544)	20	(1,838)
Profit BeforeTax		3,042	(76)	5,121	3,122	(8,967)
Less: Tax Expenses		(1,641)	(65)	(895)	(1,671)	(952)
Net Profit(+)/ Loss(-) for the Period		4,683	(11)	6,016	4,793	(8,015)
3 Capital Employed (Segment Assets - Segment Liabilities)						
a) Pellet Plant		5,461	9,618	2,199	5,461	2,199
b) Pig Iron Plant		6,898	7,421	8,394	6,898	8,394
c) Unallocable Corporate Assets less Liabilities		197,797	189,427	195,648	197,797	195,648
Total		210,156	206,466	206,241	210,156	206,241
Notes:						
1. The Company has adopted Indian Accounting Standards(Ind AS) notified by the ministry of Corporate affairs with effect from 1st April, 2016. Accordingly the financial results for the Quarter and Year ended 31st March,2017 are in compliance with Ind AS and other accounting principles generally accepted in India and the result for the corresponding Quarter and Previous Year ended 31st March, 2016 are also Ind AS compliant. The financial results for the Quarter and year ended 31st March, 2016 are restated under Ind AS have not been audited or reviewed by the auditors and are compiled by the management after exercising necessary due diligence to ensure a true and fair view of the Company affairs.						
2. Figures for the quarter ended March 31, 2017 and March 31, 2016 represent the difference between the audited figures in respect of full Financial Year and the published figures of nine months ended December 31, 2016 and December 31, 2015 respectively.						
3. The Audited Accounts are subject to review by the Comptroller and Auditor General of India under Section 143(6) of the Companies Act, 2013.						
4. Figures for the previous periods have been regrouped and/ or reclassified wherever necessary to conform with the current period presentation.						
5. The above results have been reviewed by the Audit Committee and approved in the meeting of the Board of Directors held on 29.05.2017.						
6. The above is an extract of the detailed format of Quarterly/Annual Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015. The full format of the Quarterly/Annual Financial results are available on the stock exchange website at www.nseindia.com, www.mseil.in and on the company's website at www.kiodindia.in.						
7. The Board of Directors has recommended a Final Dividend of Rs. 0.27 Paise per share in addition to Interim Dividend of Rs.0.11 Paise per share paid on 10/02/2017 on Equity Shares of Rs. 10 each. The Final Dividend is subject to approval of shareholders in the annual General Meeting.						
8. The Reconciliation of the net Profit or Loss reported in accordance with Indian GAAP to total Comprehensive Income in accordance with Ind AS are as given below.						
		(Rs. Lakhs)				
Particulars		For the Year ended 31.03.2016				
Net Profit (after tax) as per Indian GAAP		(7,766)				
Add/(Less)						
Actuary Gain/Loss on employee defined benefit funds recognised in other Comprehensive Income		(75)				
Effect on depreciation		49				
Change in Deferred Tax on account of the Above		(223)				
Net Profit (after tax) as per Ind As		(8,015)				
Actuary Gain/(Loss) on employee defined benefit funds recognised in other comprehensive income (net of taxes)		51				
Total Comprehensive Income		(7,964)				
9. The Reconciliation of the statement of changes in equity for the period ended 31.03.2016 are as given below.						
		(Rs. Lakhs)				
Particulars		For the Year ended 31.03.2016				
Total equity (shareholder's funds) as per IGAAP (A)		143,100				
Adjustments:-						
Depreciation (with retrospective impact) on spares capitalized as PP&E		(357)				
Leasehold land payments adjusted against reverse on account of prior period error		(4)				
Deferred tax asset on land		171				
Net Deferred tax impact due to Ind AS adjustments		(120)				
Total adjustments (B)		(311)				
Total Equity as per Ind AS (A + B)		142,790				

10. Statement of Assets and Liabilities

	(Rs. Lakhs)	
	As at 31.03.2017	As at 31.03.2016
	(Audited)	(Audited)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	22,105	23,823
Capital work-in-progress	72	2
Financial assets		
i) Loans	119	159
ii) Other financial assets	1,082	1,082
Deferred tax assets (net)	3,346	1,055
Total non-current assets	26,724	26,121
Current assets		
Inventories	16,317	6,347
Financial Assets		
i) Trade Receivables	14,439	1,605
ii) Cash and Cash Equivalents	49,259	45,995
iii) Bank balances other than (iii) above	135,241	149,679
iv) Loans	65	65
v) Other Financial Assets	482	536
Current income Tax Assets (net)	5,492	3,528
Other Current Assets	6,110	4,653
Total Current Assets	227,405	212,408
TOTAL ASSETS	254,129	238,529
EQUITY AND LIABILITIES		
Equity		
Share capital	63,451	63,451
Other equity	146,705	142,790
Total equity	210,156	206,241
Liabilities		
Non-current liabilities		
Financial liabilities		
i) Other financial liabilities	84	79
Employee benefit obligation	17,541	14,467
Total Non-current liabilities	17,625	14,546
Current liabilities		
Financial liabilities		
i) Trade payables	15,800	8,293
ii) Other financial liabilities	6,155	5,815
Current income tax liabilities (net)	-	-
Employee benefit obligation	906	612
Other current liabilities	3,487	3,022
Total current liabilities	26,348	17,742
TOTAL EQUITY AND LIABILITIES	254,129	238,529

Place: New Delhi
Date: 29.05.2017

By order of the Board
for KIOCL LIMITED

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



Auditor's Report On Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To Board of Directors of KIOCL Limited

We have audited the quarterly financial results of KIOCL Limited for the quarter ended 31st March 2017 and the year to date results for the period 01.04.2016 to 31.03.2017, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25 / Ind AS 34), prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder; or by the Institute of Chartered Accountants of India, as applicable and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- (ii) (ii) give a true and fair view of the net profit and other financial information for the quarter ended 31st March 2017 as well as the year to date results for the period from 1st April 2016 to 31st March 2017

For Anand & Ponnappan
Chartered Accountants

FRN 000111S

R. Ponnappan

Partner

M No 21695

New-Delhi

Date: 29.05.2017

Madurai

Lakshmi Towers, 81, 1st Floor,
P.T. Rajan Road, Bibikulam,
Madurai - 625 002.
Ph : 0452-2539891/93
E-mail : anp.mdu@gmail.com

Kochi

"PARAMALAYA"
Karimpettah Road,
Kochi - 682 018.
Ph : 0484-2369983
E-mail : ckmenon@gmail.com

Puducherry

153, Kamatchi Amman
Koil Street,
Puducherry - 605 001.
Ph : 0413-2335870
E-mail : rajendranfca@gmail.com

Hyderabad

Flat No. 101, Libra Enclave,
Besides BSNL Office,
Hyderabad - 500 020.
Ph : 91-9963555585
E-mail : aandphyd@gmail.com

Bengaluru

Flat C 1 Floor, II Main I Cross,
187, S.G. Palya, C.V. Raman Nagar,
Bengaluru - 560093
Ph : 91-9860422335
E-mail : vmohan997@hotmail.com

ಕೆಐಒಸಿಎಲ್ ಲಿಮಿಟೆಡ್

(ಭಾರತ ಸರ್ಕಾರದ ಉದ್ಯಮ)

ನೋಂದಾಯಿತ ಕಾರ್ಯಾಲಯ :

೨ನೇ ವಿಭಾಗ, ಕೋರಮಂಗಲ

ಬೆಂಗಳೂರು - ೫೬೦ ೦೩೪.

ದೂರವಾಣಿ : ೦೮೦-೨೫೫೩೧೪೬೧ ರಿಂದ ೭೦

ಫ್ಯಾಕ್ಸ್ : ೦೮೦-೨೫೫೩೨೧೫೩-೫೯೪೧

ವೆಬ್ ಸೈಟ್ : www.kiodltd.co.in

के आई ओ सी एल लिमिटेड

(भारत सरकार का उद्यम)

पंजीकृत कार्यालय :

II ब्लॉक, कोरमंगला,

बेंगलूर - 560 034.

कार्यालय : 080-25531461-70

फेक्स : 080-25532153-5941

वेबसाइट : www.kiodltd.co.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.kiodltd.co.in

CIN : L13100KA1976PLC002974



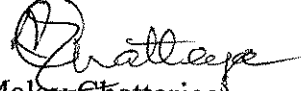
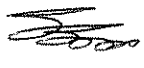
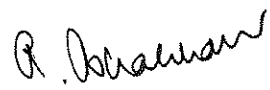
ISO 9001, 14001 ಮತ್ತು
ಒಹೆಸ್‌ಎಸ್‌ಎಸ್‌ 18001 ಸಂಸ್ಥೆ

आई एस ओ 9001, 14001 तथा
ओएचएसएस 18001 कम्पनी

ISO 9001, 14001 &
OHSAS 18001 COMPANY

FORM-A

(For Audit Report with unmodified opinion)

1.	Name of the Company	KIOCL Limited
2.	Annual Financial Statements for the year ended	31 st March 2017
3.	Type of Audit Observation	Un-Modified
4.	Frequency of Observation	Not Applicable
5.	To be signed by:-	
	- Chief Executive Officer	 (Malay Chatterjee)
	- Chief Financial Officer	 (S.K. Gorai)
	- Auditor of the Company	 (R. Ponnappan)
	- Audit Committee Chairman	 (Madhav Lal)

PRESS RELEASE

For Immediate Use

New Delhi, May 29, 2017

KIOCL RETURNS TO PROFITABILITY IN 2016-17 IN STEELMINISTRY

KIOCL Limited, a NSE listed CPSU under Ministry of Steel, declared its audited financial results for the year 2016-17. In its Board Meeting held today in New Delhi, the Company approved its Audited 4th Quarter and Annual Accounts for the Financial Year 2016-17, a very successful year during which the Company has bounced back from the gloomy situation of previous year, achieving Pellet production of 1.46 Mn MT as compared to just 0.100 Mn MT in 2015-16, thereby recording a quantum jump. On dispatch side, KIOCL achieved a jump of 239% on Y-O-Y basis, with total Pellet quantity dispatched was 1.387 Mn MT as compared to 0.409 Mn MT during 2015-16.

Shri Malay Chatterjee, CMD, KIOCL stated that due to supportive pricing environment, efficiency in production, swift decision making in exploiting market opportunity and implementing the concept of "Make in India", KIOCL has achieved a top line growth of 353% achieving Revenue from operations at Rs.929.36 crore as compared to Rs.205.57 Crore in 2015-16. The Company has turned around during 2016-17 by registering Profit after Tax of Rs.47.93 Crore from a loss of Rs.80.15 crores in the last financial year. The stellar performance is highly commendable as a merchant Pellet producer in absence of captive mine, lack of Iron ore security as it had incurred huge logistic cost in moving Iron Ore from Kirandul-Bacheli Sector of NMDC to its Pellet Plant located at Mangalore Port.

CMD, Shri Chatterjee also informed that the Board of Directors of the Company has also recommended 50% of Profit after Tax as Dividend for FY 2016-17 which works out to Re. 0.37 per share. It is noteworthy that the proposed Dividend for FY 2016-17, is highest amount of dividend declared after the closure of its sole captive mine at Kudremukh w.e.f. 1.1.2006.

It was also informed that the Company is having a robust developmental initiatives and programme to achieve higher rate of growth during FY 2017-18 with all-round business growth with its maiden mine at Devadari Range, Bellary Dt. in place.



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 2017, 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 there under.

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 there under.

Madurai

Lakshmi Towers, 81, 1st Floor,
P.T.Rajan Road, Bibikulam,
Madurai - 625 002.
Ph : 0452-2539891/93
E-mail : anp.mdu@gmail.com

Kochi

"PARAMALAYA"
Karimpettah Road,
Kochi - 682 016.
Ph : 0484-2369983
E-mail : ckmenon@gmail.com

Puducherry

153, Kamatchi Amman
Koil Street,
Puducherry - 605 001.
Ph : 0413-2335670
E-mail : rajendranfca@gmail.com

Hyderabad

Flat No.101, Libra Enclave,
Besides BSNL Office,
Hyderabad - 500 020.
Ph : 91-9963555585
E-mail : aandphyd@gmail.com

Bengaluru

Flat C 1 Floor, II Main I Cross,
187, S.G.Palya, C.V.Raman Nagar,
Bengaluru - 560093
Ph : 91-9880422335
E-mail : vmohan997@hotmail.com

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, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

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 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 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 24.2 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;
 - iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

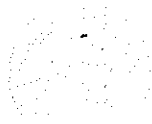
iv) the Company has provided requisite disclosures in its standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 24.17 other notes forming part of the standalone Ind AS financial statements.

New Delhi
29.05.2017

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



R Ponnappan
Partner



Membership number: 021695

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 2017, 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 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 into 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.
- (vii) (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, 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, cess and other material statutory dues were in arrears as at 31 March 2017 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)

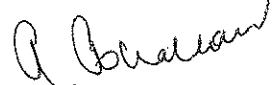
Name of the statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending
Central Excise	Non-Payment of SAD on DTA clearance of pellets	1454.11	2010-11	CESTAT
Central Excise	Non-Payment of SAD on DTA clearance of pellets	1248.99	2011-12	CESTAT
Central Excise	Non-Payment of SAD on DTA clearance of pellets	3145.21	2011-12	CESTAT
Service tax	Service tax	23.14	2014-15	CESTAT
Service tax	Service tax	21.00	2016-17	CESTAT
Income Tax	Regular Assessment	159.97	2010-11	ITAT (Bangalore)
Income Tax	Regular Assessment	298.01	2011-12	CIT (Appeals)
Income Tax	Regular Assessment	11.45	2012-13	CIT (Appeals)
Sales Tax	For sale of Kudremukh Assets	945.80	2013-14	Karnataka Appellate Tribunal

(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
29.05.2017

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



R Ponnappan
Partner
Membership number: 021695

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.

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

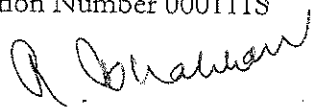
According to the information and explanations given to us, during the year under audit, there are no cases of waiver/ write off of debts/loans/interest.

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 assets have been received as gift/grant from Government or other authorities.

New Delhi
29.05.2017

For Anand & Ponnappan
Chartered Accountants
Firm's Registration Number 000111S


(R.Ponnappan)
(Partner)
Membership No.021695



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 2017, 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 (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 authorisations 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

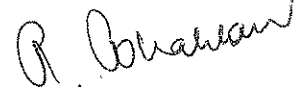
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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 31 March 2017, 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
29.05.2017

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



R. Ponnappan
Partner

Membership number: 021695