



**ಕುದ್ರೆಮುಖ್ ಅಮಿಟೆಡ್**

(ಭಾರತ ಸರ್ಕಾರದ ಉದ್ಯಮ)

ನೋಂದಾಯಿತ ಕಾರ್ಯಾಲಯ :  
2ನೇ ವಿಭಾಗ, ಕೋರಮಂಗಲ  
ಬೆಂಗಳೂರು - 560 034.

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ವೆಬ್ ಸೈಟ್ : www.kioclltd.in

**के आई ओ सी एल लिमिटेड**

(भारत सरकार का उद्यम)

पंजीकृत कार्यालय :

II ब्लॉक, कोरमंगला,  
बेंगलूर - 560 034.

कार्यालय : 080-25531461 - 66

फेक्स : 080-25532153-5941

वेबसाईट : www.kioclltd.in

**KIOCL LIMITED**

(A Government of India Enterprise)

Registered Office :

II Block, Koramangala,  
Bengaluru - 560 034.

Telephone : 080-25531461 - 66

Fax : 080-25532153-5941

Website : www.kioclltd.in

CIN : L13100KA1976GOI002974

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)/2023/274

August 29, 2023

**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: Annual Report for the Financial Year 2022-23

In pursuance to Regulation 34 of SEBI (LODR) Regulations, 2015, we enclose herewith a copy of 47<sup>th</sup> Annual Report of KIOCL Limited for the Financial Year 2022-23, inter-alia containing the Notice of 47<sup>th</sup> AGM of the Company, which is being sent/dispatched to the Shareholders by permitted modes.

The 47<sup>th</sup> Annual Report of the Company is also hosted on Company's website at [www.kioclltd.in](http://www.kioclltd.in).

This is for information and record please.

Thanking You,

Yours faithfully,  
For KIOCL Limited,

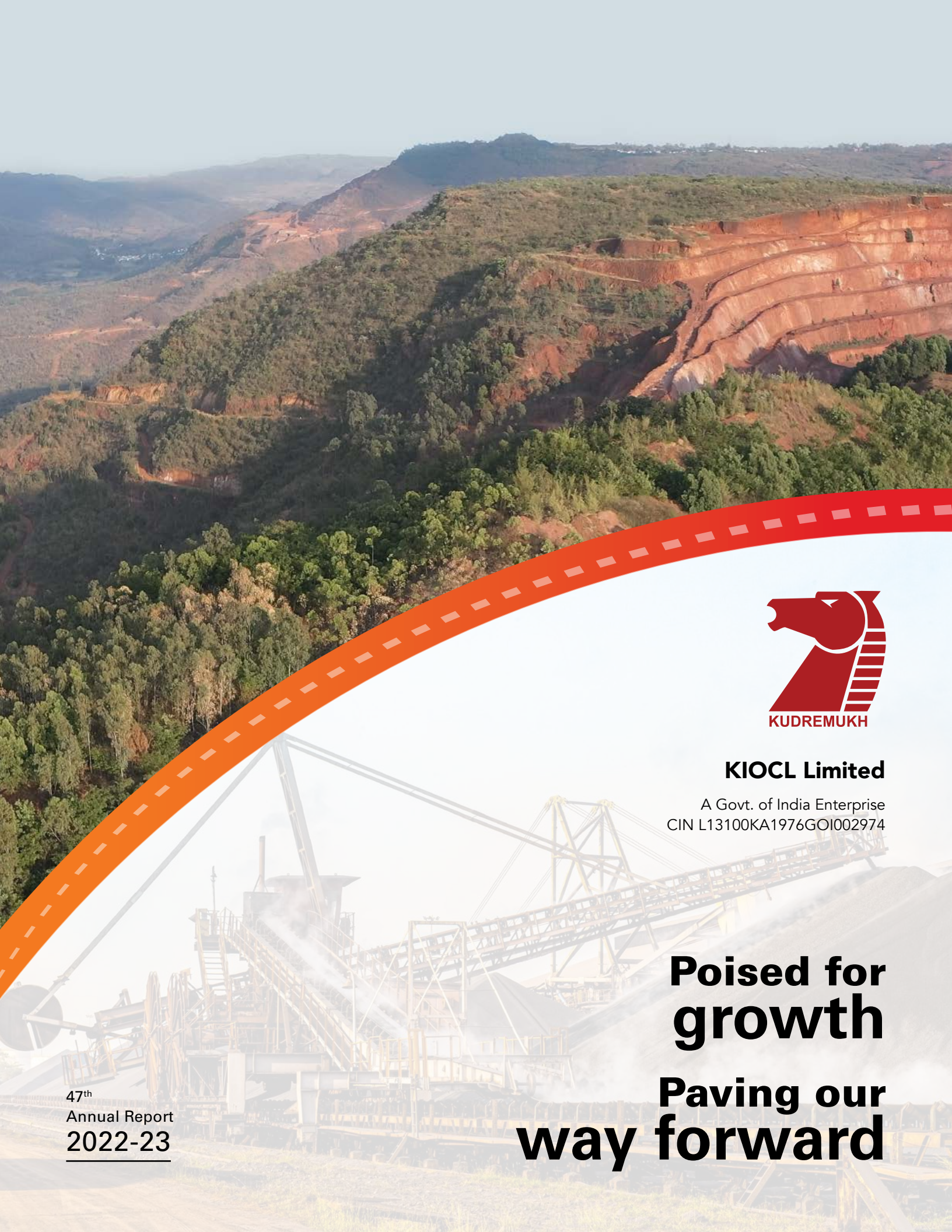
Pushpkant Mishra  
Digitally signed by Pushpkant  
Mishra  
Date: 2023.08.29 10:19:54 +05'30'

(P.K. Mishra)

Company Secretary & Compliance Officer

Encl: As Above





**KIOCL Limited**

A Govt. of India Enterprise  
CIN L13100KA1976GOI002974

**Poised for  
growth**

**Paving our  
way forward**

47<sup>th</sup>  
Annual Report  
2022-23



**At KIOCL, we are at the forefront of meeting India's increasing steel demand. Our state-of-the-art facilities and sharp focus on innovation enable us to produce high-quality products efficiently and contribute to the nation's infrastructure development. We adhere to international quality standards delivering on our clients' expectations. Being a responsible corporate citizen, we also strive to minimise our environmental footprint.**

With a strategic location in Karnataka, India, we seek to expand our resource base by exploring new mining areas. Our efforts in this regard have been fruitful and we have been granted a mining lease for a period of 50 years in Devadari Range of Karnataka allowing us to diversify into mining operations and optimise production capacity at our pellet plant. This positions us well to capitalise on the growing global demand for iron ore.

Paving our way forward, we remain poised for growth through diversification into mining operation and by setting up of plants under backward integration projects. By exploring new segments, we aim to stay competitive while reducing costs through process optimisation. We will also continue to invest in honing the expertise of our personnel to drive sustained growth.





To know more about us,  
please scan the above  
QR code

### Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects, and are generally identified by forward-looking words such as 'believe,' 'plan,' 'anticipate,' 'continue,' 'estimate,' 'expect,' 'may,' 'will' or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

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#### NOTICE

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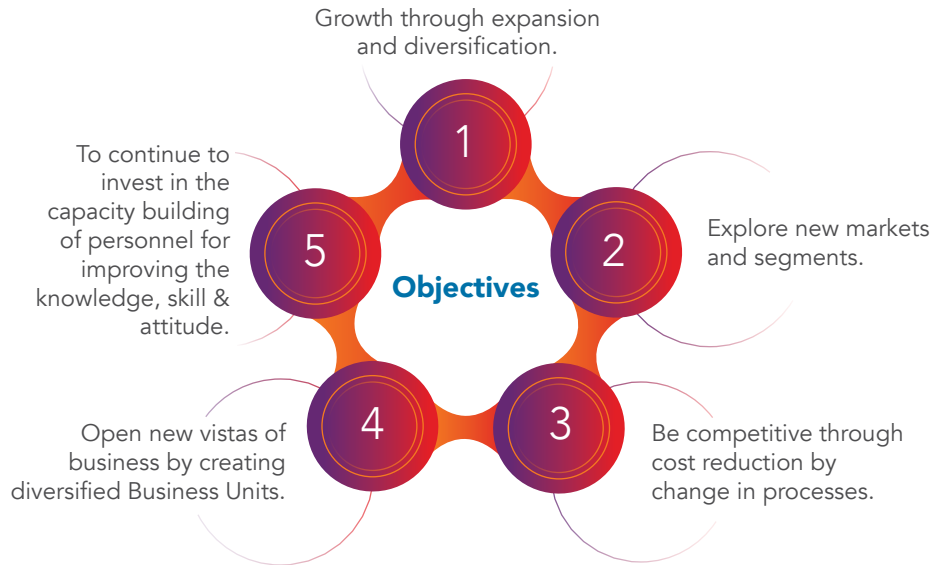


# KIOCL at a glance

Decades of experience in iron ore mining, beneficiation and pelletisation of low-grade iron ore, KIOCL is a flagship company under the Ministry of Steel, Government of India.

As an export-oriented company, we specialise in iron ore mining, filtration technology and high-quality pellet production. We also engage in mineral exploration and are involved in the exploration of minerals such as iron, manganese, limestone, nickel, chromium, copper, gold, lead, zinc, kyanite & phosphorite.

Being an energy-intensive company, we remain steadfast in our commitment to sustainability. To reduce our environmental footprint, we optimise resource efficiency and employ green energy through our captive solar power plants.



## Vision

To emerge as a world class mining company with the highest international standards of quality, productivity, technological & environmental excellence and also as a leader in the Beneficiation & Pelletisation Industry in India and establish a global credence.



## Mission

### Lasting relations with customers and vendors

to ensure a smooth supply chain based on trust and mutual benefits.

### Business with ethics & integrity.

To thrive to **improve the socio-economic condition** in the neighbourhood of the Company's production centre.

### Continuous learning

**Adaptability** to technology and the changing global scenario.

**Growth, recognition and reward** for employees.



**Numbers that matter**

**₹1543.42  
crores**

Revenue From Operation

**1.510**

Million tonnes of pellets produced

**₹2072.84  
crores**

Average net worth

**43%**

Capacity utilisation

**₹422.83  
crores**

CAPEX

**19**

Mineral exploration projects



**Our Core Values**

**Customer Focused Culture**

We continuously strive to provide security & achieve customer satisfaction.

**Integrity**

We are sincere, kind, fair and just in all our dealings with everyone.

**Team Work**

We achieve mutual growth by respecting one another's individuality & by sharing knowledge & ideas.

**Respect**

We treat people how we wish to be treated ourselves.

**Excellence**

We continue to make effort for improvement of performance, standards & capability building for sustained long term success.

**Ownership Mindset**

We take ownership create understanding & develop solutions by communicating with date & transparency.



# Differentiated products and services

At KIOCL, we provide high-quality products and services in the mining, metallurgical sector & mineral exploration ensuring excellence in all that we deliver.

## Our products



### Iron ore pellets

We produce high-quality iron ore pellets that meet international quality standards, making them suitable for modern steel plants worldwide. These pellets are manufactured by leveraging advanced techniques and innovative technologies. They are used in steel production in both blast furnaces and direct reduction plants.



### Pig iron

Our blast furnace unit sources high-quality iron ore lumps and combines them with high quality coke and inputs to produce premium-grade pig iron. This pig iron serves as a cost-effective raw material for the foundry industry, facilitating the production of superior-grade and high-precision castings. However, our blast furnace unit's operations have been suspended due to economic unviability.



## Our services

### Operation and maintenance (O&M) projects

With over three decades of experience in owning, operating, maintaining and controlling (of the process parameters) iron ore beneficiation plants and iron oxide pellet plants, we offer O&M services through contract agreements. Backed by our competent team in the field of beneficiation and pelletisation plants, we manage various aspects, including pre-commissioning activities, equipment trial runs, and more.

### Mineral exploration

We are recognized as Notified Mineral Exploration Agency (NEA) under Section 4(1) of Mines and Minerals (Development and Regulations) Act 1957(MMDR-1957) w.e.f

February 16, 2015 empowered and entrusted to carry out Mineral Exploration (ME) across the country. We are currently active in contributing to the nation by undertaking regional and detailed mineral exploration programs across the country under the directives of National Mineral Exploration Trust (NMET), Ministry of Mines, Govt. of India and Department of Mines and Geology of State Govts. We are involved in carving out the potential

Obvious Geological Potential areas of various minerals for further geoscientific investigation under MMDR 1957 norms.

We provide a range of cost-effective mineral exploration services. These services, which encompass bulk minerals, base and precious minerals and industrial minerals, are designed to meet the diverse needs of the mineral exploration industry. Our offerings include:

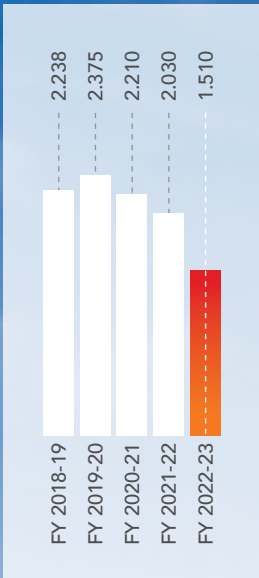
Preparation of Mineral Exploration Project Proposals (MEPP)	Geological mapping works	Topographic survey
Ground geophysical survey	Mineral Exploration Laboratory (MEL)	Drilling works
		Geological and geotechnical core logging works





# Performance snapshot

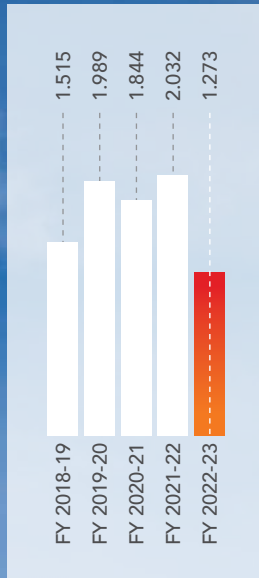
## Pellet production (in million tonnes)



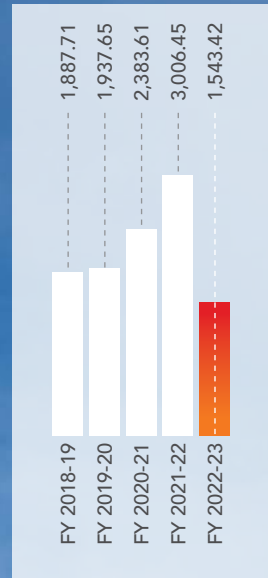
## Pellet Dispatch (in million tonnes)



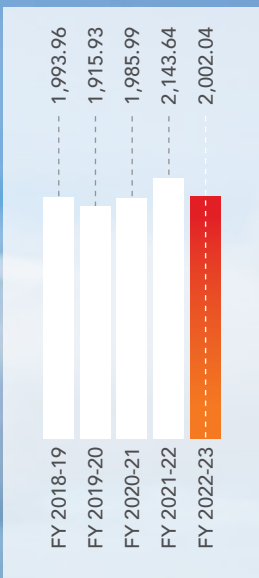
## Pellet Exports (in million tonnes)



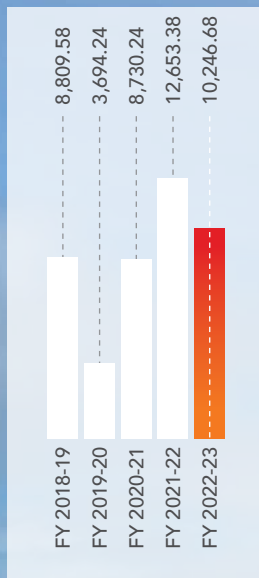
## Revenue from operations (₹ crores)



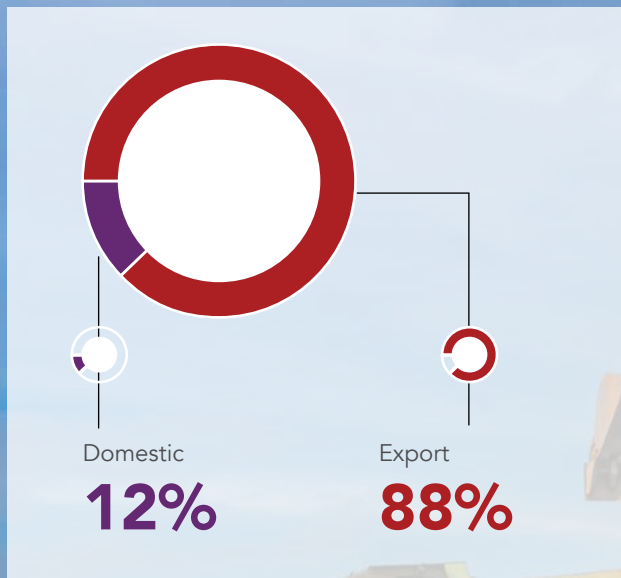
## Net worth (₹ crores)



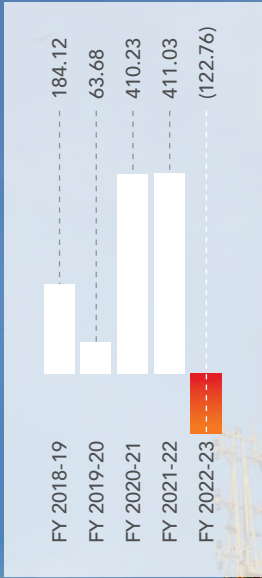
## Market capitalisation (₹ crores)



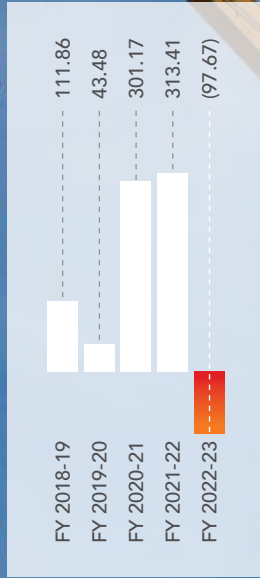
## Revenue by geography



**PBT**  
(₹ crores)



**PAT**  
(₹ crores)





# Message from the Chairman



**At KIOCL, we leverage over four decades of experience to strengthen our foothold in the industry. With our strategic location in Karnataka, we seek to expand our operations by developing and commencing mining operation at the Devadari Iron Ore Mine. ११**

## Dear Shareholders,

It is a privilege to speak to you at the conclusion of the fiscal year 2022-23.

Let me begin by addressing the operating environment during the year gone by. Nonetheless, it was a challenging year for the steel industry. Globally, the industry made swift progress on the back of strong post-Covid recovery and growing infrastructure investments around the world.

However, the conflict in Ukraine aggravated existing inflationary pressures. Gas and coal prices surged, leading to a sharp increase in steel prices. The



economic crisis induced by the war resulted in lower demand for steel and it redirected trade flows. Moreover, during the fiscal, customs duty of 45% was levied on the export of Iron Ore Pellets.

Despite these challenges, our production during the year touched 1.51 Million Tonnes (Mt) and we dispatched 1.46 Million Tonnes of iron ore pellets, in comparison to production and dispatch of 2.03 Mt and 2.07 Mt respectively in FY2022. Besides, we recorded capacity utilisation of 43% during the fiscal year.

As far as our financial performance is concerned, our Revenue from Operations stood at ₹1543.42 crores. Our income from Sale of Services (O&M Operations and Mineral Exploration Services) during the year was ₹20.47 crores, against ₹ 24.91 crores in the previous year. However, revenue from export declined by 46% to ₹1361.43 crores in comparison to ₹2928.97 crores in the previous financial year. Due to the imposition of higher export duty, we did not carry out exports after the order was passed. Coupled with it, higher prices in the domestic market severely affected our margins by the end of the year.

At KIOCL, we leverage over four decades of experience to strengthen our foothold in the industry. With our strategic location in Karnataka, we seek to expand our operations by developing and commencing mining operation at the Devadari Iron Ore Mine.

Our efforts in this direction have been successful as the Government of Karnataka executed the Mining Lease deed on January 2, 2023, granting us the mining lease for Iron and Manganese Ore over an area of 388 hectares for a period of 50 years. This development allows us to diversify into mining operations and optimise production capacity at our Pellet Plant.

We believe, as a result of this, we are well-positioned to take advantage of growing global demand for iron ore.

### Corporate Social Responsibility - Growth with Goodness

Along with a focus on business growth, we continue to fulfil our obligation towards people and communities. It encourages us to undertake CSR projects encompassing the domain of healthcare and nutrition. We also directed efforts to promote education, provide access to clean drinking water, ensure environmental sustainability and promote skill development programmes for the marginalised sections of society. Moreover, we give preference to Aspirational Districts identified by the NITI Aayog to enhance our contributions in areas where it can make a significant difference.

During the fiscal, we have spent ₹589.96 lakhs towards our CSR activities. This also includes funding for ongoing projects in FY 2022-23 and is expected to be completed by the next fiscal year. Additionally, we have availed the set-off of ₹34.98 lakhs during the FY 2022-23.

### Future Outlook

As we move forward, we are strategically redefining our approach to uncover new opportunities. We are continuously expanding and diversifying our operations. Along with foraying into mining operations, we are establishing a DISP Plant with a capacity of 2.0 LTPA, and a Coke Oven Plant with a capacity of 1.80 LTPA as backward integration projects.

Additionally, we plan to make necessary modifications to the Blast Furnace Unit to improve its economic

viability. We remain determined to explore new markets and segments to retain our competitive edge and reduce costs through process optimisation. Alongside, our continuous investment in people empower us with the expertise required to sustain growth and efficiency across our operations.

### Corporate Governance

The philosophy of your Company in relation to corporate governance is to ensure transparency, disclosures and reporting that confirms fully with the laws and regulations of the country in order to promote ethical conduct & practices throughout the organisation for enhancing stakeholders' value. Your Company is committed to complying with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Corporate Governance and the guidelines on Corporate Governance for CPSE issued by Department of Public Enterprises, Govt from time to time.

### Acknowledgement

As I conclude, I would like to express my sincere thanks to our dedicated team who helped us navigate a tough year. I am also grateful to our shareholders for their continued support. Finally, I would like to thank the Ministry of Steel, Central and State Governments, Regulatory authorities, our customers and all other stakeholders for being partners in our journey.

### Warm Regards

Sd/-  
**T. Saminathan**  
Chairman-cum-Managing Director





# Enhancing operational excellence

To improve the quality and efficiency of our products, we made significant technological improvements. These innovations have made us the go-to company for quality-conscious clients in India and across the globe.

## ISO-9001:2008

Certified for Quality Management System

We have undertaken several initiatives to boost our operational efficiency, reduce energy consumption and maintain top-notch product quality.

### High-efficiency rotor assembly

We were seeking an opportunity to improve the efficiency of our recuperation fan. The existing impeller design, which had been in use for over 35 years, was deemed outdated and less efficient. Recognising the potential benefits of a modern impeller design, we initiated a collaboration with various fan manufacturers.

#### Solution

We partnered with a leading fan manufacturer specialising in high-efficiency impellers. The objective was to procure impellers that would outperform the existing design's efficiency, while being compatible with the recuperation fan's existing foundation, bearing supports and casing. To ensure seamless integration and improved efficiency, we conduct extensive research and development.

#### Implementation

The new high-efficiency rotor assembly, consisting of the advanced impeller design, was installed in the recuperation fan. Stringent testing procedures were employed to evaluate the performance and efficiency of the upgraded assembly. The results exceeded expectations, indicating a significant improvement in fan efficiency and operational performance.

#### Results

The high-efficiency rotor assembly demonstrated a marked increase in fan efficiency, resulting in **enhanced air circulation and heat exchange** within the system.

The improved efficiency contributed to **reduced energy consumption** and cost savings.

The upgraded assembly contributed to improved operational efficiency, streamlined the production process and **enhanced product quality**.



## Reduction in length of CB92 conveyor

We recognise that for optimising the pellet loading conveyor, CB92, we need to reduce its length. With the fine storage silo no longer in use, we sought to make modifications that would lead to cost savings in terms of power consumption and maintenance.

### Solution

To reduce the length of the CB92 conveyor, our engineering team carefully analysed the existing setup and devised a plan to relocate the tail pulley. Following this a significant portion of the conveyor length could be reduced without compromising its functionality. This solution required meticulous planning and coordination to ensure seamless integration with the existing infrastructure.

### Implementation

Our engineering team collaborated with experienced technicians and conveyor specialists to execute the modification. The relocation of the tail pulley was carried out precisely, ensuring that the reduced conveyor length did not compromise its loading capacity or safety standards. Thorough inspections and tests were conducted to validate the modified conveyor's performance and adherence to quality standards.

### Results

The reduction in conveyor length resulted in a considerable **decrease in power consumption**, amounting to approximately **20%**. This also led to **substantial cost savings**.

The modified conveyor system required less maintenance, **reducing the associated costs** and **minimising downtime**.

The reduced conveyor length also contributed to a proportional reduction in the quantity of idlers, brackets and conveyor belts, resulting in **decreased inventory costs**.

## Installation of VFD

We identified an opportunity to enhance the control and energy efficiency of our thickener underflow pump, PS125. The pump operated at a fixed speed, which limited its ability to adjust pump density according to process requirements. Additionally, running the pump at full load continuously resulted in higher energy consumption.

### Solution

To address the issues associated with pump density control and energy efficiency, we decided to install a Variable Frequency Drive (VFD) for the thickener underflow pump, PS125. The VFD would provide the necessary flexibility to adjust the pump's speed, providing better control of pump density and reducing energy consumption.

### Implementation

We collaborated with specialised suppliers and experts in VFD technology to identify the most suitable solution for the thickener underflow pump. The VFD was carefully integrated into the existing pump system, ensuring compatibility and seamless operations. Extensive testing and calibration were conducted to ensure optimal performance and adherence to process requirements.

### Results

The installation of the VFD provided us with better control over pump density, resulting in **improved process efficiency** and product quality.

The reduction in energy consumption led to cost savings and a more **sustainable operation**.

The investment in the VFD was projected to have a payback period of one year, considering the pump operated at **75%** load for six hours a day, **300 days a year**.



# Poised for growth with digitalisation

Recognising digitalisation as a key driver of operational excellence and sustainable growth, we leverage technology to streamline processes. This also ensures the confidentiality, integrity and availability of our online services and data.



## Enterprise resource planning (ERP)

The implementation of the SAP S/4 Hana ERP system on a cloud platform, known as 'Ashwa Megha,' marks a crucial step in our digital transformation journey. This ERP system serves as a centralised information hub, integrating various departments and functions within the Company. By consolidating data and processes into a single system, we can achieve greater efficiency and collaboration across our operations.

The ERP system enables seamless communication, facilitates real-time data exchange and automates routine tasks. This reduces manual efforts and improves overall productivity. With Ashwa Megha, we gain a holistic view of our operations, enabling data-driven decision-making and enhancing our ability to respond swiftly to market dynamics.



## Modifying our networking system

Recognising the necessity of a robust networking infrastructure, we have invested prudently in revamping our network system. The deployment of managed L2 and L3 core switches, as well as optical fibre cables (OFC) and copper cables, enables high-speed and reliable data transmission. This revamped network design lays the foundation for efficient data flow and seamless communication across the organisation.

The managed network setup enables centralised management and monitoring of data traffic, facilitating effective troubleshooting and maintenance. With the implementation of an NMS server equipped with Active Directory (AD) and Authentication, Authorisation and Accounting (AAA) software, we have bolstered our network security and streamlined administrative tasks.



## Strengthening data and cyber security

With digitalisation on the rise, ensuring the security of data and online services is of utmost importance. We have employed best-in-class technologies to protect the confidentiality, integrity and availability of our digital assets. Advanced security systems, including the Fortinet Next Generation Firewall and Bit Defender Endpoint Security, are deployed to safeguard our networks and end-point devices from cyber threats. These systems proactively detect and mitigate potential vulnerabilities, ensuring a robust defence against malicious attacks.

Moreover, we conduct regular IT audits and Vulnerability Assessment and Penetration Testing (VAPT) exercises to identify and address any security gaps promptly. By prioritising data and cyber security, we instil trust and confidence in our stakeholders, safeguarding sensitive information and mitigating potential risks.





# Building an empowered and committed workforce

Our people are driven by a commitment to excellence and consistent innovation. They collaborate and leverage their individual skills and expertise to overcome challenges and achieve organisational goals.

## 654

### Employees

#### Prioritising employee welfare

At KIOCL, we prioritise the welfare of our employees and their families. We believe that a happy and healthy workforce is essential for the success of our organisation. To ensure their well-being, we have implemented several employee welfare programmes.

#### Employee benefits

We provide our people with comprehensive benefits that cater to their medical, housing and nutritional needs, among others. We offer extensive healthcare benefits to employees, including retired employees and ensure they have access to comfortable living arrangements. Our well-equipped canteens offer nutritious meals, while sports facilities promote physical fitness and teamwork.

We prioritise safety with the provision of first aid and ambulance services. Additionally, our recreation centres provide opportunities for relaxation and leisure activities. By prioritising employee welfare, we aim to create a positive and supportive work environment where individuals can thrive both personally and professionally.



## Women empowerment

KIOCL, as a Corporate Life Member of the Forum of Women in Public Sector (WIPS) under aegis of SCOPE, is dedicated to empowering women in the workforce. We conduct regular training sessions to enlighten and empower women employees and contract workers, enhancing their skills and confidence. These programmes aim to create a workforce where women can take on challenging roles and responsibilities.

## PoSH

We focus on developing a safe and respectful work environment for women and maintain a zero-tolerance policy towards sexual harassment. In accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, we have established an Internal Complaints Committee (ICC) to address any complaints of sexual harassment. No complaints were filed during the reporting period, reflecting the effectiveness of our efforts in maintaining a harassment-free workplace.

## Training and development

In our pursuit of excellence, we place a great emphasis on talent development and the enhancement of employee skill sets. Throughout the year, we implemented various training programmes aimed at fostering a performance-driven culture and nurturing technical and behavioural competencies among our workforce.

### Skill-building programmes

To ensure professional and personal development, we organised various in-house training programmes, where employees were provided with the opportunity to enhance their knowledge and skills within the organisation. Through skill and behavioural training initiatives, we aimed to equip our workforce with the necessary skills to excel in their respective roles.

Additionally, employees were nominated for external seminars, conferences and training programmes organised by the Department of Public Enterprises (DPE), enabling them to stay updated with industry trends and best practices.

# 6085

**Mandays of training were imparted to the employees**





## Talent management

As part of our talent management strategy, we focus on recruitment and superannuation. We ensure that the recruitment process is aligned with our talent requirements and organisational objectives. By hiring qualified individuals who possess the requisite skills and competencies, we strengthen our workforce and prepare for future challenges. We also provide appropriate retirement benefits and assistance to retiring employees, ensuring a smooth transition into their post-employment phase.

7

Executive trainees recruited

8

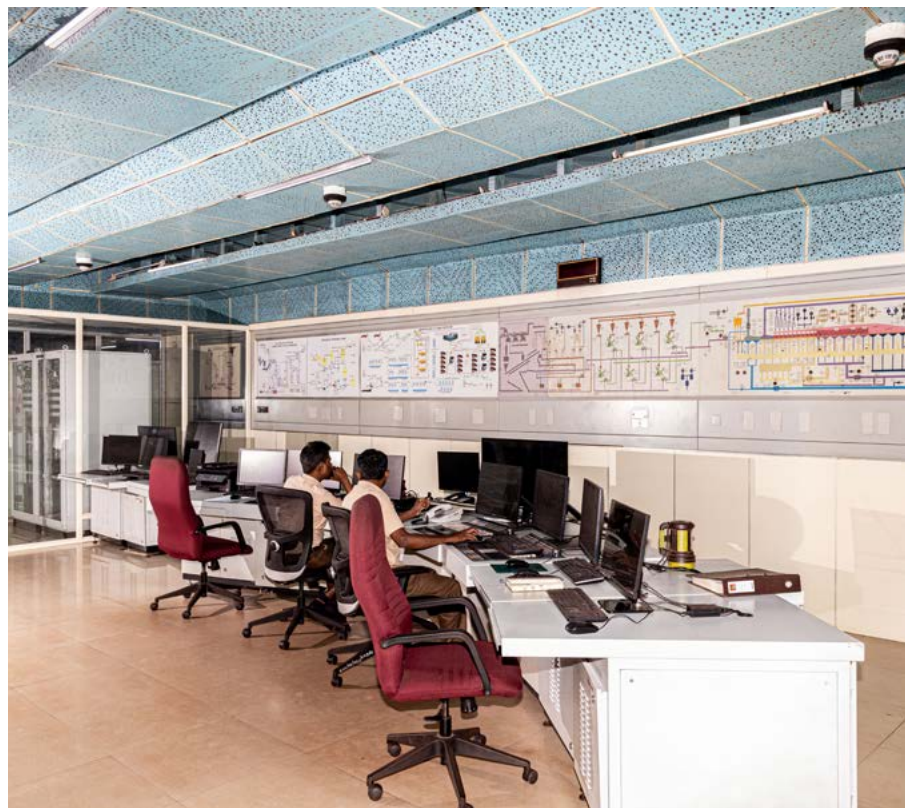
Graduate engineer trainees recruited

3

Lateral Entry

52

Employees superannuated





## Employee engagement

We foster employee engagement by involving them in our decision-making processes and addressing their concerns. We hold regular meetings with recognized unions and officers associations, providing a platform for open dialogue on various issues. Through these discussions, we collaboratively find solutions that benefit both employees and the company.

### Transparent dialogue

To encourage effective communication and problem-solving, we have formed committees at both the plant and shop levels, comprising representatives from both management and the recognised union. These committees meet regularly to discuss and resolve production-related matters, ensuring that decisions are fair and consider stakeholder perspectives.

Moreover, we have implemented grievance redressal mechanisms to address employee and public grievances. We take all grievances seriously and provide a structured process for employees to voice their concerns, ensuring timely and efficient resolution. These mechanisms contribute to a harmonious work environment and promote employee satisfaction.



## Succession planning

We realise the necessity of succession planning as we navigate various phases of growth and adapt to an evolving operating environment. We intend to groom talented individuals with high potential for future management positions by implementing an organised approach of identifying and developing them. Our succession strategy emphasises proactive planning and forward-thinking to enable a seamless transition of leadership and the presence of competent leaders at all organisational levels, ensuring continuity and long-term growth.

### The key objectives for succession planning are:

Build a leadership pipeline/ talent pool to ensure leadership continuity and help gear up for any unprecedented events	Provide a framework to align leadership with the strategic needs of the organisation
To facilitate the career advancement of high-potential individuals, contributing to the retention of top talent	To ensure the systematic and long-term development of high-potential individuals within the organisation
Efficiently transfer responsibility from older to younger generations	To control the business in a way that will ensure effective business leadership
Identify high-potential employees who are capable of moving into senior positions with higher responsibility than those who presently occupy those positions and train them to become future-ready	



# Making EHS our priority

We are committed to promoting environmental, health, and safety (EHS) practices within our operations. To this end, we have implemented various measures to address environmental concerns, prioritise health and safety, and ensure compliance with applicable rules and regulations.

## Environment

By adopting advanced technologies and practices, we strive to minimise our ecological footprint and implement effective measures for environmental conservation and pollution control.



## ISO 14001:2015

**Certified for Environmental Management System**

### Sewage treatment plant

We operate a sewage treatment plant in the pellet plant. The plant is equipped with a 2 km length sewerage system and leverages a membrane bioreactor for efficient treatment. The treated effluent is completely recycled within the process, minimising environmental impact.

## 80 KLD

**Sewage treatment plant**

### Dust suppression

A mobile water sprinkler with a capacity of 6 KLD is consistently operated within the plant premises. This helps control and minimise dust emissions, improve air quality and ensure a healthier work environment.



## Health and safety

We recognise the importance of worker participation in maintaining a safe workplace. Area-wise safety committees have been formed, facilitating effective communication and engagement between employees and management. Regular toolbox talks are conducted to educate all workers, including contractors, on safety practices.



## ISO 45001:2018

**Certified for Occupational Health and Safety Management System**

### Emergency preparedness

We have developed and implemented an Onsite Emergency Plan, approved by the Director of Factories, for both the Pellet Plant and Blast Furnace Unit. This plan is regularly updated to reflect changes in plant conditions. We also conduct emergency mock drills to train emergency team members and ensure preparedness for handling any unforeseen situations.

### Regular audits

Third-party agencies conducted external safety audits to assess and maintain a safe working environment. The Safety officer/staff in collaboration with department engineers and safety committee members performed safety inspections. Observations made during these inspections were reported to the respective department heads for necessary compliance.

### Personal protective equipment (PPE)

We provide suitable PPE to all employees, including contract labourers, to protect them from workplace hazards. This includes safety helmets, shoes, respirators, raincoats, gloves, safety goggles, face shields, aprons and ear plugs/muffs.

### Safety training

Various training programmes are conducted to raise safety awareness among our personnel. These programmes cover topics such as Standard Operating Procedures (SOPs), maintenance activities, first aid, firefighting, environmental awareness, occupational health, safety, vigilance, sustainable development and productivity.

# 4,185

**Mandays safety training**

# 1,779

**Mandays safety training for contractors' workmen**

### Safety week

Abiding by the Factories Act 1948, we organise National Safety Week celebrations. This week provides us an opportunity to raise awareness about safety practices and regulations. Safety boards and emergency contact telephone number boards are displayed at all our sites.

### Steel safety code

We adhere to the Steel Safety Code to ensure compliance with the highest safety standards. Regular training sessions are conducted for all employees, ranging from top executives to front-line supervisors, to enhance their understanding and implementation of safety practices.



# Stepping up with our CSR efforts

We are committed to contributing to inclusive growth, sustainable development and equal opportunities in society. Through our community-development initiatives, we aim to uplift marginalised and underprivileged communities, with a special focus on the Aspirational Districts identified by NITI Aayog. Through our community-development programmes, we strive to make a meaning impact on society and contribute to the overall well-being of the communities we serve.

**₹589.96  
lakhs**

CSR spend



## Healthcare

We have implemented several measures to ensure the well-being of the underserved sections of society. This includes providing financial assistance for procuring dialysis units at the Wenlock Hospital in Dakshina Kannada District and contributing towards the construction of the Red Cross Centenary building project in Mangaluru.

We have also extended our support to community health centres, general hospitals and maternity hospitals by funding the purchase of medical equipment and necessary items. Additionally, we have provided vehicles and wheelchairs to healthcare institutions, ensuring accessibility and better care for pediatric patients and those with special needs.





## Education

We are focused on making quality education accessible to underprivileged children. We have provided computers, printers, lab equipment and furniture to government schools and colleges in Sandur, Bellary District. Scholarships have been awarded to children

studying in government schools and colleges in and around Mangaluru. Additionally, we have offered medical textbooks to meritorious MBBS students from socio-economically poor and rural backgrounds to support their higher education.

**1,000**

Students benefited

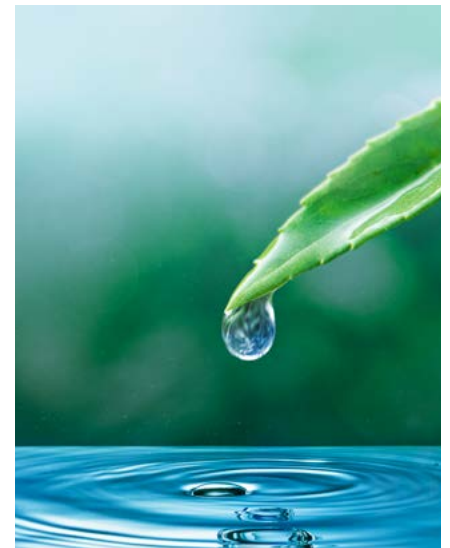
**200**

Girl students benefited



## Water

Recognising the significance of potable water, we have implemented several initiatives to set up clean drinking water facilities. These include establishing Reverse Osmosis Plants and installing water purifiers in schools and Anganwadi centres in different districts of Karnataka.



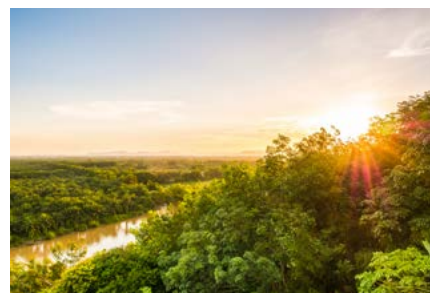
## Childcare development

We have supported childcare development by providing financial assistance to the Mangala Seva Samithi in Mangaluru, which offers food, shelter, clothing, education and medicine to orphaned and abandoned children.



## Environment

Being committed to environmental sustainability, we have offered financial assistance for developing Miyawaki Forests and New Urban Green Spaces in Mangaluru City.



## Sports

We have provided financial assistance for conducting a national level chess tournament in Mangaluru.



# Board of Directors

## CHAIRMAN-CUM-MANAGING DIRECTOR



**1**  
**Shri T. Saminathan**  
(DIN 08291153)

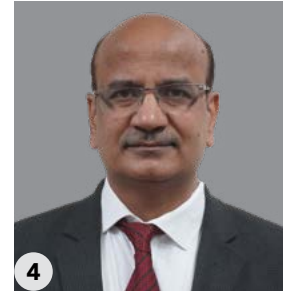
## FUNCTIONAL DIRECTORS



**2**  
**Shri Binay Krushna Mahapatra**  
(DIN 09613777)



**3**  
**Shri Ganti Venkat Kiran**  
(DIN 10048157)



**4**  
**Shri Manoj Kumar Jhawar**  
(DIN 07306454)

## GOVT. NOMINEE DIRECTORS



**5**  
**Smt. Sukriti Likh**  
(DIN 01825997)



**6**  
**Dr. Sanjay Roy**  
(DIN 10045280)

## INDEPENDENT DIRECTORS



**7**  
**Shri Changdev Sukhadev Kamble**  
(DIN 09351638)



**8**  
**Dr. Usha Narayan**  
(DIN 09351511)

## COMPANY SECRETARY & COMPLIANCE OFFICER



**Shri Pushp Kant Mishra**  
(A28174)



## FUNCTIONAL DIRECTORS

1

**Shri T. Saminathan,**  
(DIN 08291153)

is the Chairman-cum-Managing Director of the Company since 07-09-2021 and designated as Chief Executive Officer of Company since 12-11-2021. He holds Degree in Mechanical Engineering and Post Graduate Diploma in Business Management and has more than three decades of experience in the Company in the iron ore Mining, Beneficiation, Pelletization and Pig iron making since joining in the year 1986 as Graduate Engineer. He is a life time member in Indian Institute of Materials management (IIMM) and Indian Institute of Mineral Engineers (IIME).

Shri T. Saminathan is holding Nil Equity Shares in the Company. Further, he has no inter-se relation with any other Director or Key Managerial Personnel of the Company.

3

**Shri Ganti Venkat Kiran**  
(DIN 10048157)

is the Director (Production & Projects) of the Company since 09-05-2023. He is a Graduate in Mechanical Engineering from National Institute of Technology, Bhopal. Previously worked with Pro Minerals Pvt. Ltd, Essar Steel Ltd. & BPRL (Stemcor Group), Odisha. He joined Company in the year 2019 as GM (Projects & Technical Services). He is having over three decades of experience in Steel Sector. He has worked in construction of Pellet Plants and had experience in operations & maintenance of Pellet Plant and Beneficiation Plant.

Shri Ganti Venkat Kiran is holding Nil Equity Shares in the Company. Further, he has no inter-se relation with any other Director or Key Managerial Personnel of the Company.

2

**Shri Binay Krushna Mahapatra**  
(DIN 09613777)

is the Director (Commercial) of the Company since 30-08-2022. He is Graduate in Metallurgical Engineering passed with Distinction from National Institute of Technology, Jamshedpur in the year 1988 and started his career in the same year with RINL as a Management Trainee (Technical) and later joined NALCO in the year 2016. He is having over three decades of experience in Metal and Mineral Sector, out of which 27 years in Steel Industry and 6 years in Aluminium Industry.

Shri Binay Krushna Mahapatra is holding Nil Equity Shares in the Company. Further, he has no inter-se relation with any other Director or Key Managerial Personnel of the Company.

4

**Shri Manoj Kumar Jhavar**  
(DIN 07306454)

is the Director (Finance) of the Company since 26-05-2023 and designated as Chief Financial Officer of Company since 30-05-2023. He is a graduate in Mechanical Engineering with PG in Industrial Engineering & Management. Shri Jhavar is also the member of the Institute of Cost Accountants of India and holds a Doctorate (Ph.D) in Management Sciences. He is having experience of more than three decades in the field of Power Sector and has worked in Commercial, IT, Management, Finance and Engineering Domains. Prior to joining Company, he was working with Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Ltd. as Executive Director.

Shri Manoj Kumar Jhavar is holding Nil Equity Shares in the Company. Further, he has no inter-se relation with any other Director or Key Managerial Personnel of the Company.



## GOVT. NOMINEE DIRECTORS

5

**Smt. Sukriti Likhi**  
(DIN 01825997)

is Additional Secretary and Financial Adviser to the Ministry of Steel, Government of India and Govt. nominee Director on the Board of the Company since 23-04-2021. She belongs to the Indian Administrative Service. An Economics graduate from Lady Shri Ram College, she holds a Masters degree in Sociology from the Delhi School of Economics and a Masters in Public Administration from Harvard University. Presently, Smt. Likhi is also Director on the Board of SAIL, NMDC, RINL, MECON and NMDC Steel.

Smt. Sukriti Likhi is holding Nil Equity Shares in the Company. Further, she has no inter-se relation with any other Director or Key Managerial Personnel of the Company.

6

**Dr. Sanjay Roy**  
(DIN 10045280)

is Joint Secretary in Ministry of Steel, Government of India and Govt. Director on the Board of the Company since 03-05-2023. He belongs to the Indian Information Service (Cadre-1997). He holds a MBBS degree from University College of Medical Sciences, New Delhi. He has done foundation course from HCM Rajasthan, Institute of Public Administration in 1997 and got training in media Management and Communication from Queensland University of Technology, Brisbane, Australia and Training in Management Skills and Media at Berkeley, US.

Dr. Sanjay Roy is holding Nil Equity Shares in the Company. Further, he has no inter-se relation with any other Director or Key Managerial Personnel of the Company

## INDEPENDENT DIRECTORS

7

**Shri Changdev Sukhadev Kamble**  
(DIN 09351638)

is Independent Director of the Company since 01-11-2021. He is a M.A. M.Phil and Ph.D holder in Marathi from Pune and Solapur University respectively. He is having experience of more than 30 years in teaching. Currently, he is working as a Professor of Marathi at Rayat Shikshan Sanstha, Satara.

Shri Changdev Sukhadev is holding Nil Equity Shares in the Company. Further, he has no inter-se relation with any other Director or Key Managerial Personnel of the Company

8





**Dr. Usha Narayan**  
(DIN 09351511)

is Independent Director of the Company since 01-11-2021. She is a Bachelor in Ayurveda, Medicine and Surgery (B.A.M.S.) and has done MBA in Healthcare Services. She has Diploma in Pharmacy (D. Pharma) in Allopathic Medicine. She is having experience of more than ten years in health care services. Currently, she is engaged in Medical Practice. She was Ayush Medical Officer in National Health Mission. She is a social worker and connected with social issues/ reforms from past three decades.





Dr. Usha Narayan is holding Nil Equity Shares in the Company. Further, She has no inter-se relation with any other Director or Key Managerial Personnel of the Company

# Board Sub-Committees




## AUDIT COMMITTEE

NAME OF DIRECTOR	DESIGNATION	COMMITTEE POSITION
Shri Changdev Sukhadev Kamble	Independent Director	
Dr. Usha Narayan	Independent Director	
Shri Ganti Venkat Kiran	Director (Production & Projects)	
Shri Manoj Kumar Jhawar	Director (Finance)	





## CORPORATE SOCIAL RESPONSIBILITY

NAME OF DIRECTOR	DESIGNATION	COMMITTEE POSITION
Dr Usha Narayan	Independent Director	
Shri Changdev Sukhadev Kamble	Independent Director	
Shri Ganti Venkat Kiran	Director (Production & Projects)	
Shri Manoj Kumar Jhawar	Director (Finance)	

## NOMINATION AND REMUNERATION

NAME OF DIRECTOR	DESIGNATION	COMMITTEE POSITION
Shri Changdev Sukhadev Kamble	Independent Director	
Dr. Usha Narayan	Independent Director	
Dr. Sanjay Roy	Govt. Nominee Director	

## STAKEHOLDERS RELATIONSHIP

NAME OF DIRECTOR	DESIGNATION	COMMITTEE POSITION
Dr. Usha Narayan	Independent Director	
Shri. Changdev Sukhadev Kamble	Independent Director	
Shri Binay Krushna Mahapatra	Director (Commercial)	
Shri Ganti Venkat Kiran	Director (Production & Projects)	



Chairperson



Member



Permanent / Ex-Officio Invitee








# Board Sub-Committees (contd..)





## RISK MANAGEMENT

NAME OF DIRECTOR	DESIGNATION	COMMITTEE POSITION
Dr. Usha Narayan	Independent Directors	
Shri. Changdev Sukhadev Kamble	Independent Director	
Shri Binay Krushna Mahapatra	Director (Commercial)	
Shri Ganti Venkat Kiran	Director (Production & Projects)	
Shri Manoj Kumar Jhawar	Director (Finance)	
Shri Vasudha Chandra S	Risk Officer	

## INVESTMENT, PROJECT APPRAISAL & MONITORING

NAME OF DIRECTOR	DESIGNATION	COMMITTEE POSITION
Shri Changdev Sukhadev Kamble	Independent Director	
Dr. Usha Narayan	Independent Director	
Shri Binay Krushna Mahapatra	Director (Commercial)	
Shri Ganti Venkat Kiran	Director (Production & Projects)	
Shri Manoj Kumar Jhawar	Director (Finance)	

## COMMITTEE OF MANAGEMENT

NAME OF DIRECTOR	DESIGNATION	COMMITTEE POSITION
Shri T. Saminathan	Chairman-cum-Managing Director	
Shri Binay Krushna Mahapatra	Director (Commercial)	
Shri Ganti Venkat Kiran	Director (Production & Projects)	
Shri Manoj Kumar Jhawar	Director (Finance)	



Chairperson



Member



Permanent / Ex-Officio Invitee

# Corporate informations

## LISTED AT

### NSE

Exchange Plaza,  
C-1, Block G,  
BKC, Bandra (E)  
Mumbai – 400 051

Scrip Code: KIOCL

### BSE

25<sup>th</sup> Floor, P.J. Towers,  
Dalal Street,  
Fort,  
Mumbai – 400 001

Scrip Code: 540 680

### MSEI

Vibgyor Towers, 4<sup>th</sup>  
Floor, Plot No.C 62,  
G-Block, BKC, Bandra  
(E), Mumbai – 400 098

Scrip Code: KIOCL

## DEPOSITORIES

National Securities Depository Ltd.

Central Depository Services (India) Ltd.

## REGISTRAR & TRANSFER AGENT

M/s Integrated Registry Management  
Services Pvt. Ltd.

# 30, Ramana Residency  
4<sup>th</sup> Cross, Sampige Road,  
Malleswaram, Bengaluru - 560 003  
Tel No.: 080 2346 0815 - 818  
Fax No.: 080 2346 0819  
Email: irg@integratedindia.in

## OUR BANKERS

IndusInd Bank      Union Bank of India

ICICI Bank Ltd.      State Bank of India

Canara Bank      HDFC Bank

Yes Bank Ltd.

## OUR CREDIT RATING AGENCY

### ICRA Limited

3<sup>rd</sup> Floor, Electric Mansion,  
Appasaheb Marathe Marg, Prabhadevi,  
Mumbai – 400 025

### Brickwork Ratings India Pvt. Ltd.

3<sup>rd</sup> Floor, Raj Alkaa Park, Kalena Agrahara,  
Bannerghatta Road, Bengaluru - 560076

## OUR AUDITORS

### STATUTORY AUDITOR

M/s YCRJ & Associates  
Chartered Accountants,  
No.236, Pushpagiri Bhavan,  
3<sup>rd</sup> Floor, F Block, 14<sup>th</sup> Main  
Sahakara Nagar,  
Bengaluru – 560 092

### COST AUDITOR

M/s R.M. Bansal & Co.  
Cost Accountants,  
80, 1<sup>st</sup> Floor, Central Complex,  
Subedar Chatham Road,  
Rajiv Gandhi Circle,  
Bengaluru – 560 020

### INTERNAL AUDITOR

M/s Manohar Chowdhry  
& Associates,  
Chartered Accountants,  
#71, 2<sup>nd</sup> Floor,  
8<sup>th</sup> Main, 2<sup>nd</sup> Block, Jayanagar,  
Bengaluru – 560 011

### SECRETARIAL AUDITOR

M/s P.S. Bathla & Associates,  
Practicing Company Secretaries  
S.C.O. 6, 3<sup>rd</sup> Floor Feroze Gandhi  
Market, Ludhiana-141001

## REGISTERED OFFICE

### KIOCL LIMITED

II Block, Koramangala, Bengaluru - 560 034, Karnataka, India.

**Tel No.:** 080 2553 1461- 466 Fax: 080 2553 2153 - 5941

**Website:** www.kiocltd.in

**CIN No.:** L13100KA1976GOI002974



# Performance at a glance

	Quantity in ' 000 Dry Metric Tonnes/ ₹ in lakhs									
Production (quantity)	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
Production (quantity)										
a) Pellets	1510	2030	2210	2375	2238	2327	1460	100	785	1710
b) Pig Iron	-	-	-	-	-	-	-	-	-	-
Capacity Utilization (%)										
a) Pellets	43	58	63	68	64	66	42	3	22	49
b) Pig Iron	-	-	-	-	-	-	-	-	-	-
Sales (quantity)										
a) Pellets	1460	2072	2311	2356	2206	2301	1387	409	680	1615
b) Pig Iron	4	1	3	3	2	3	-	-	1	2
Total Sales (US \$ Million) *	188.72	399.65	317.44	265.71	261.06	241.07	128.68	29.82	102.57	-
Export Sales (US \$ Million)*	169.07	392.71	249.94	222.45	178.45	148.93	75.95	10.74	12.14	-
DTA Sales (US \$ Million) *	19.65	6.94	67.50	43.26	82.61	92.14	52.73	19.08	90.43	-
Total Sales (in ₹ Lakhs) **	152273	298130	234735	188417	182877	157015	86753	19980	62884	153237
Export Sales (in ₹ Lakhs)	136143	292897	184606	157413	124698	99959	51751	7217	7391	-
DTA & Indigenous Sales (in ₹ Lakhs) **	16130	5233	50129	31004	58179	57056	35002	12763	55493	153237
Gross Margin from operation	(15974)	37648	34727	(1845)	8610	(3483)	(9133)	(22358)	(11535)	(5037)
Income earned from Deposits / Mutual Funds etc.	6621	6566	9041	10923	11692	12503	14393	15618	17508	15663
Profit on sale of assets	17	7	1	39	37	1454	64	24	63	4
Cash Profit	(9336)	44221	43769	9117	20339	10474	5324	(6716)	6036	10630
Depreciation & DRE	2525	3118	2746	2749	1927	1865	2202	2251	3209	4232
Profit before Prior period adjustment/ extraordinary items	(12276)	41103	41023	6368	18412	8609	3122	(8967)	2827	6398
Prior period adjustment/ extraordinary items	-	-	-	-	-	-	-	-	299	(258)
Profit before Tax (PBT)	(12276)	41103	41023	6368	18412	8609	3122	(8967)	3126	6140
Profit after Tax (PAT)	(9767)	31341	30117	4348	11186	8148	4793	(8015)	3082	3994
Dividend -to Government	-	10653	9871	4312	8194	6659	2324	-	628	816
- to others	-	104	96	42	78	67	24	-	6	8
- Dividend Tax	-	-	-	-	1700	1369	481	-	127	140
- % of Share Capital	-	17.70	16.40	7.00	13.30	10.60	3.70	-	1.00	1.30
Transfer to General Reserve	-	-	-	-	-	-	1964	(8015)	2321	3029
Paid-up Capital	60775	60775	60775	62193	62193	63451	63451	63451	63451	63451
No of shipments (Despatch)	24	39	45	44	42	44	26	7	15	42
Value added	13416	69071	66549	28605	37314	28403	18552	3431	23095	29987
No. of employees	654	699	746	805	841	888	922	938	947	957
Value added per employee	20.51	98.81	89.21	35.53	44.37	31.99	20.12	3.66	24.39	31.33
Value added per Rupee payment to employee	0.81	3.67	3.57	1.69	2.22	1.46	1.24	0.29	1.75	1.98

Pellets includes Pellet Fines

Pig Iron includes Auxiliary material

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

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



# Board's Report

## Dear Shareholders,

The Board of Directors hereby submits the 47<sup>th</sup> Annual Report on the business and operations of your Company ("the Company" or "KIOCL") and its Audited Financial Statements for the financial year ended March 31, 2023 (FY'23), together with the Auditors' Report and Comments on the Accounts by the Comptroller and Auditor General (CAG) of India.

## FINANCIAL RESULTS AND STATE OF COMPANY'S AFFAIRS

(₹ in crores, Except EPS & Book Value)

Particulars	FY 2023	FY 2022
Total Revenue / Turnover	1623.81	3080.74
Revenue from Operations	1543.42	3006.45
Other Income	80.39	74.29
Earnings Before Interest and Tax	(109.12)	423.24
Profit / (Loss) Before Tax	(122.76)	411.03
Tax Expense / Saving (including deferred taxes)	25.09	97.62
Profit / (Loss) After Tax	(97.67)	313.41
Add: Other Comprehensive Income (Net of Tax)	4.08	3.47
Total Comprehensive Income	(93.59)	316.88
EPS (Basic & Diluted)	(1.61)	5.16
Average Net Worth	2072.84	2064.81
Average Capital Employed	2290.18	2270.62
Book Value per Share	32.94	35.27
Return (EBDITA) on average Capital Employed (%)	(3.66)	20.01
Return on Average Net Worth (%)	(4.71)	15.18
Capital expenditure	422.83	290.45
<b>Contribution to Exchequer: -</b>		
<b>Central:</b>	63.44	167.97
<b>State:</b>	21.85	3.06

### Impact of Export Duty @ 45%

Export duty @ 45% on Pellets was levied by Govt. of India vide Customs Notice No. 29/2022 - Customs dated 21-05-2022. Accordingly, mainly due to unviable operation in view of levy of export duty, the Company's Pellet Plant operation was suspended for 187 days and was operated only for 178 days during the year.

However, Govt. of India vide notification No. 58/2022-Customs dated 18-11-2022 withdrew the export duty w.e.f. 19-11-2022.

Despite the aforesaid challenges posed, your Company's production during the year was 1.510 Million Tonnes (Mt) and dispatch was 1.460 Million Tonnes (against FY'22 production and dispatch of 2.030 Mt and 2.072 Mt respectively).

### Impact of Russia-Ukraine War

The year under review was a tumultuous year for the steel industry. Globally, the industry started well on the back of a strong post-Covid recovery and the infrastructure investments that many governments across the world had announced to support this recovery. However, the conflict in Ukraine made worse the inflationary pressures being felt due to supply chain bottlenecks in the post Covid world. Gas prices shot up as did coal prices which led to steel prices shooting up. Economic crisis induced by war caused decreasing steel demand and redirection of trade flows. The war worsened current economic situation globally.



## Revenue

During the year, your Company earned a Revenue from Operations of ₹1543.42 crores as compared to ₹ 3006.45 crores in the previous year. Revenue from export witnessed a downward trend by 46% to ₹ 1361.43 crores as compared to the previous Financial Year figure of ₹ 2928.97 crores.

Your Company achieved total export sales of 1.273 million tonnes of Pellets, against previous years export of 2.032 million tonnes. Your Company achieved 88% of total revenue from operations through export. Income from Sale of Services (O&M Operations and Mineral Exploration Services) during the year was ₹ 20.47 crores against ₹ 24.91 crores of previous year. Other Income comprising of Income from Treasury Operation and other Miscellaneous Income has increased to ₹ 80.39 crores from ₹ 74.29 crores.

## Profits / Loss

Due to imposition of duty @ 45% on export of Iron Ore Pellets vide Customs Notification dated 21-05-2022, w.e.f. 22-05-2022, your Company was not in a position to export Iron Ore Pellets post duty imposition regime and coupled with high produce prices for domestic market, your Company incurred a Loss Before Tax of ₹ 122.76 crores against a Profit Before Tax of ₹ 411.03 crores in the previous year.

## DIVIDEND AND APPROPRIATIONS

Your Company being a CPSE, pays dividend in compliance with DIPAM guidelines issued from time to time by Ministry of Finance and Board approved Dividend Distribution Policy in terms of the Regulation 43A of SEBI (LODR) Regulations, 2015 which is available at weblink <https://kioclltd.in/table.php?id=282&lang=EN>.

However, the Board of Directors had not recommended payment of dividend for the year 2022-23 due to absence of distributable profits. The Board has not recommended dividend based on the parameters laid down in the Dividend Distribution Policy. Further no amount is transferred to reserves of the Company.

## DIVIDEND HISTORY OF LAST 7 YEARS

(Excluding DDT)				
Years		Rate (%)	Per Share (₹)	Amount (₹ in crs)
2016-17	Interim	1.1	0.11	6.98
	Final	2.6	0.26	16.50
2017-18	Interim	2.7	0.27	17.13
	Final	7.9	0.79	50.13
2018-19	Final	13.3	1.33	82.72

(Excluding DDT)

Years		Rate (%)	Per Share (₹)	Amount (₹ in crs)
2019-20	Final	7.0	0.70	43.54
2020-21	Final	16.4	1.64	99.67
2021-22	Interim	9.8	0.98	59.56
	Final	7.9	0.79	48.01

## Financial Saliency

As on 31-03-2023, the Company had a net cash and Bank Balance of ₹ 773.29 crores as against ₹ 1107.58 crores as on 31-03-2022. The reduction in cash is due to capital expenditure.

## Treasury Management / Investment of Surplus Funds

The long-term requirements to fund the CAPEX of ₹ 422.83 crores was met through internal resources during the year and Term Loan in the Debt Equity ratio of 2:1 for forward and backward integration of the existing Blast Furnace plant at Mangalore from Canara Bank aggregating to ₹ 21.83 Crores.

The short-term borrowing requirements were met through surplus funds invested with Liquid Fund of Public Sector Mutual Fund and availment of Overdraft against Fixed Deposits from different banks at competitive rate of interest to optimize its cost of working capital.

Your Company has a Board approved policy for investment of surplus funds since 06-04-2016. The policy is being reviewed and amended from time to time by the Board in line with DPE Guidelines.

## Subsidiaries, Joint Ventures and Associates

During the FY 2022-23, the Company has no Subsidiaries, Joint Ventures and Associates.

## Credit Rating

The Credit rating of the Company is covered in the Corporate Governance Report of the Company.

## Details of Deposits

The Company has not accepted any deposits during the year.

## Short Term Loans

Short Term borrowings of ₹ 380.82 crore (previous year ₹ NIL crore) were outstanding as on 31-03-2023.

## Debt Equity Ratio

Debt equity ratio as on 31-03-2023 was 0.206:1 as compared to 0.004:1 of previous year due to increase in borrowings.

## CAPEX

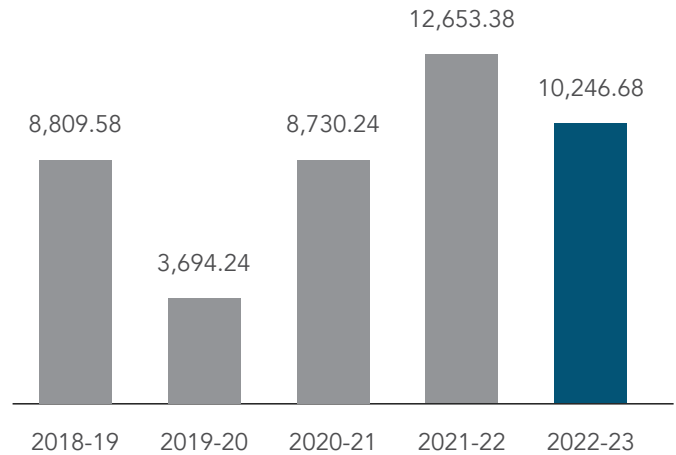
During the year under review the total CAPEX was ₹ 422.83 crores, which was 110% of the Budget Estimate (BE) of ₹ 384.63 crores and against previous years CAPEX of ₹ 290.45 crores.

## KIOCLs ranking at Stock Exchange – A Top 500 Company

Your Company had been included amongst the top 500 listed Companies as per Market Capitalization on NSE and BSE and stands at No. 319 and 323 with Market Capitalisation of ₹ 10,243.64 crores and ₹ 10,246.68 crores, respectively, as on 31-03-2023.

## Market Capitalisation (BSE)

₹ IN CRS



## MoU Performance

**MoU - 2021-22** - Performance of your Company in terms of the Memorandum of Understanding (MoU) with the Ministry of Steel, Government of India for the Financial Year 2021-22 was rated as "Good".

**MoU - 2022-23** - Due to imposition of duty @ 45% on export of Iron Ore Pellets vide Customs Notification dated 21-05-2022, w.e.f. 22-05-2022, the Company was not in a position to export Iron Ore Pellets post duty imposition regime during the FY 2022-23. Accordingly, at the Inter-Ministerial Committee (IMC) Meeting held on 19-10-2022 for finalization of MoU 2022-23, Ministry of Steel informed IMC that the Company was primarily engaged in export of iron pellets which amounts to around 80% of Company's revenue. However, due to increase in export duty, the export revenue stream was no more viable, and Company's domestic operations was also not very promising on account of high produce prices. Therefore, the Company was proposed to be exempted from MoU signing. IMC agreed to this view point and based on the request of Company and subsequent confirmation from administrative Ministry, the Company was exempted from signing MoU for the Financial Year 2022-23.

## Risk Management

Pursuant to the requirement of Regulation 21 of the Listing Regulations, the Company had constituted a Board level Risk Management Committee w.e.f. 26-03-2019 and has a robust Risk Management Policy framework to identify, evaluate and prevent / reduce impacts of the risks on Company's Business. Risk preventive work culture with strength to mitigate / reduce the risks impacts are developed within the organisation to enhance Company's performance. The details of Committee and its terms of reference are set out in the Corporate Governance Report. In line with Risk Management Policy, your Company have an established procedure to proactively identify, analyse and mitigate risks.

## Implementation of Risk Management Policy

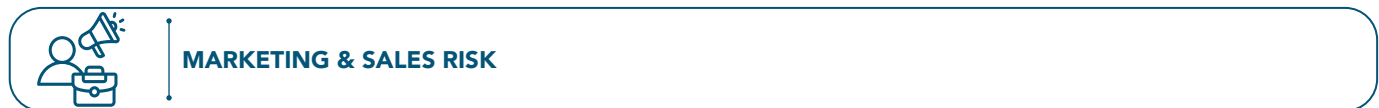
The Company has been continuously assessing its risks to ensure sustained business operations aligned with its long-term objectives. The following are the roles and responsibilities for effective implementation of Risk Management System across the organization: -

Roles	Responsibilities
Chief Risk Officer	Oversees the establishment of Risk Management System. Informs Risk Management Committee and Board for its implementation and its compliance. Ensures providing required resources for mitigating Risk.
Steering Committee	Ensures successful implementation of Risk Management System. Reviews once in three months for continuous improvement and guides the Risk Management Team. Chairman of Steering Committee maintains Company's Risk Register. Based on recommendation by Steering Committee, update the Company's Risk Register once in three months.



<b>Roles</b>	<b>Responsibilities</b>
Risk Officer	Conducts Risk Awareness Programme, co-ordinate with Steering Committee and HoDs for implementation of Risk Management Policy across the Organization.
Risk Owner	Each HoD is the Risk Owner and conducts brain storming session, identifies risks, risk evaluation and indexing, short lists for mitigation, nominates risk champion for each risk, gets the mandate from Functional Director/CMD for the required resources, mitigates, adds or deletes and maintain risk register for the Department with the approval of Unit In-charge or Functional Director as the case may be. Sends a copy of Department Risk Register to Chairman Steering Committee with the status of implementation once in three months.
Risk Champion	Assists concerned HoD in implementation of RMP, responsible for mitigating the identified risk/risks, monitor and review for continuous improvement.

### The Company has identified following major risks: -



<b>Discription of Risk</b>	<b>Risk Contributing Factors</b>	<b>Risk Treatment Plan</b>
Volatility in Iron Ore & Pellet market	<ul style="list-style-type: none"> <li>- Longer lead time of iron ore sourced from market.</li> <li>- High volatility in demand and price of Pellets.</li> <li>- Market forces led uncertainty in sales volumes and revenue.</li> <li>- Inventory holding at times of lower sales.</li> <li>- Sale of Pellets in spot market.</li> <li>- High Internal lead time for conversion of Iron Ore Fines into Pellets.</li> </ul>	Reduction of cost of production and entering into back-to-back contracts.
Govt Policies and Guidelines	Implementation of new policies and changes in taxation policies by Govt.	Taking up the matter with concerned Govt authorities.
Reputation Risk – Brand Image	Any dent to the brand image / reputation of KIOCL product will severely affect the demand in the market which in turn affects the overall business activity.	<ul style="list-style-type: none"> <li>- Adhering to contractual specification, terms and conditions for supply.</li> <li>- Production of pellets with quality as per end user requirements.</li> <li>- Addressing quality concerns and taking corrective actions.</li> </ul>
Changes in Customs Act, Rules, Customs Duty and GST tariff rates	Likely to receive demand notice from Customs / GST	An Indirect Tax Experts (GST & Customs Duty) appointed to guide / advice Company regarding any changes / impacts in the regulations and provide suggestions to take necessary preventive / remedial actions.



## OPERATIONAL RISK

Discription of Risk	Risk Contributing Factors	Risk Treatment Plan
Delay in Development and Commencement of Mining Operations of Devadari Iron ore mine	<ul style="list-style-type: none"> <li>- Delay in Permission to enter Forest Area.</li> <li>- Delay in appointment of raising contractor.</li> <li>- Unfavourable decision in the WP No. 13311/2021 (PIL).</li> </ul>	<ul style="list-style-type: none"> <li>- Resolution of pending issues with Forest Dept.</li> <li>- Appointment of consultant for Transaction Advisory Services</li> <li>- Defending the WP No.13311/2021.(PIL)</li> </ul>
Failure of Steel Structures	<ul style="list-style-type: none"> <li>- Ageing of structures</li> <li>- Adverse coastal weather conditions</li> </ul>	<ul style="list-style-type: none"> <li>- Periodical inspection of structures and evaluating the stability and safety and taking corrective actions.</li> <li>- Structural strengthening / replacement / painting.</li> </ul>
Fire at Furnace oil storage area	<ul style="list-style-type: none"> <li>- Nature / property of the material</li> <li>- Leakage of furnace oil</li> <li>- Grass growth surrounding the Furnace Oil tank.</li> </ul>	<ul style="list-style-type: none"> <li>- Dedicated CISF Fire wing inside the plant.</li> <li>- Regular inspection and taking necessary corrective action.</li> </ul>
Procurement of Iron Ore	Long Term Agreement validity.	<ul style="list-style-type: none"> <li>- Long Term Agreement with M/s NMDC,</li> <li>- Participation in e-auctions, Tolling (Supply and buy back), diversification of sourcing.</li> </ul>
Adverse weather conditions and environmental accidents at Lakya Dam, Kudremukh	Weather vagaries, landslides etc.	<ul style="list-style-type: none"> <li>- Regular monitoring and maintenance work along with EAP.</li> <li>- Providing necessary resources to maintenance and monsoon preparatory works.</li> </ul>



## FINANCIAL RISK

Discription of Risk	Risk Contributing Factors	Risk Treatment Plan
Contingent Liability	Adverse decision of CESTAT for demand of Special Additional Duty on DTA clearance of Pellets during Oct'10 to Apr'12 amount to ₹ 58,48,31,145/- & applicable interest towards the demand raised alongwith penalty)	<ul style="list-style-type: none"> <li>- Case is sub-judice before CESTAT.</li> <li>- Consultant/s appointed by Company will represent before CESTAT.</li> </ul>



## PEOPLE RISK

Discription of Risk	Risk Contributing Factors	Risk Treatment Plan
Succession Plan	Shortage of Manpower can cause a volatile work environment leaving other employees and their subordinates feeling unmotivated to do their jobs.	Complete Manpower study by September 2023.

## Directors and Officers insurance

The Company has undertaken Directors and Officers Liability insurance ("D and O insurance") Policy for all its Directors, including Independent Directors and Officers.

## Particulars of Loans, Guarantees or Investments

There was no loan, guarantee or investment made under Section 186 of the Companies Act, 2013.

## Related Party Transactions (RPTs)

During the period under review, no transactions were entered with Related Parties as defined under the Section 188 of Companies Act, 2013 read with Regulation 34(3) and Para A of Schedule V of the SEBI Regulations, 2015, as such annexure AOC-2 is not furnished.

Further, details of related party transactions entered by the Company, in terms of Ind AS-24 have been disclosed in the notes no. 28.2.4 to the financial statements forming part of Annual Accounts 2022-23. The same were also disclosed to Stock Exchanges on half yearly basis as required under Regulation 23(9) of SEBI (LODR), Regulations, 2015.

The Board approved Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions is available on the Company's Website at <https://kioclltd.in/table.php?id=280&lang=EN>.

## Material Changes and Commitments, if any, affecting Financial Position

There was no material change / commitment occurred affecting the financial position of the Company after the financial year ended 31-03-2023 till the date of this report and there was no change in business.

## Management Discussion and Analysis Report

The Management's discussion and analysis report is set out in this Annual Report in terms of the provisions of Regulation 34(2)(e) of the SEBI (LODR) Regulations, 2015.

## Business Responsibility & Sustainability Report

In accordance with Regulation 34(2)(f) of the SEBI Listing Regulations, the Securities and Exchange Board of India ("SEBI"), in May 2021, introduced new sustainability related reporting requirements to be reported in the specific format of Business Responsibility and Sustainability Report ("BRSR"). BRSR is a notable departure from the existing Business Responsibility Report and a significant step towards giving platform to the companies to report the initiatives taken by them in areas of Environment, Social and Governance. Further, SEBI has mandated top 1,000 listed companies, based on market capitalisation, to transition to BRSR from FY2022-23 onwards. Accordingly, we are glad to present our inaugural

BRSR for FY2022-23, which forms part of this year director's report.

## BUSINESS AND OPERATIONAL REVIEW

### Pellet Plant Unit

Your Company produced 1.510 million tons of Pellets during the year 2022-23 as compared to 2.030 million tons in the previous year and sold 1.460 million tons of Pellets as against 2.072 million tons in the previous year. Out of the total quantity sold, exported quantity was 1.273 million tons which was about 87.19 % of the total sales.

### Blast Furnace Unit

The Blast Furnace Unit (BFU) remained under suspension due to uneconomic price of Pig Iron and high Coke Price since August 2009. Your Company is in the process of implementing the backward integration of BFU (Coke Oven) to make its operations economically viable.

A snapshot of production target vis-a-vis actual achievement with capacity utilization and sales performance during last five years including current year are depicted at Table 1 & 2.

**Table 1: Capacity Utilisation**



Year	MOU Target	(Qty. In Million Tons)	
		Actual Production	capacity utilisation (%)
2022-23	NIL*	1.510	43
2021-22	2.800	2.030	58
2020-21	2.500	2.210	63
2019-20	2.300	2.375	68
2018-19	2.170	2.238	64

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

\* The Company was exempted from signing MoU.

**Table 2: Sales Performance**



Year	(Qty: in Million Tons, Value: ₹ In crores.)					
	Pellets		Pig Iron		Total	
	Qty	Value	Qty	Value	Qty	Value
2022-23	1.460	1518.02	0.004	4.71	1.464	1522.73
2021-22	2.072	2980.15	0.001	1.15	2.073	2981.30
2020-21	2.311	2343.80	0.003	3.55	2.314	2347.35
2019-20	2.356	1878.97	0.003	5.20	2.359	1884.17
2018-19	2.206	1,825.97	0.002	2.80	2.208	1,828.77

(Note: Pig Iron includes Auxiliary)



### Mineral Exploration Works

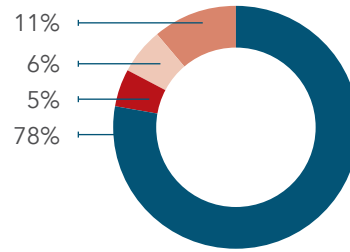
A total of nineteen (19) number of Mineral Exploration Projects for NMET, Govt. of Karnataka and M/s JSW Steel Limited with cumulative approved project value of ₹ 134.95crores (including GST) were handled during the year.

Additionally, Mineral Exploration works of Devadari Iron Ore Block (captive mine block) with approved project value of ₹ 24.86 Crores (including GST) was also handled.

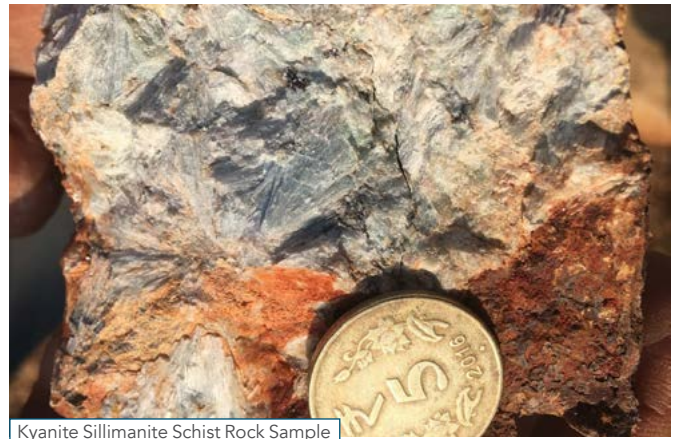


Core drilling works

### COMMODITY WISE PROJECTS HANDLED



- Bulk minerals (Iron Ore & Manganese) : 08 nos
- Captive Mines (Devadari Iron Ore Block) : 01 no
- Industrial mineral (Kyanite) : 01 no
- Basemetal : 02 nos



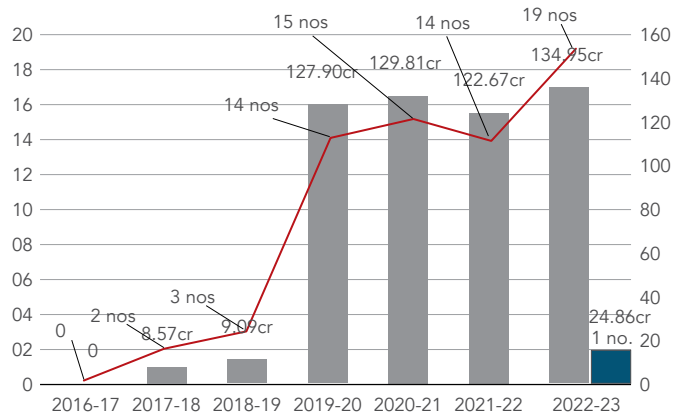
Kyanite Sillimanite Schist Rock Sample

Your Company: -

- entered into regime of providing mineral exploration services to private agencies by securing five (5) number of Iron Ore Mine Lease (for assessment of BHQ / silicious ore) Projects from M/s JSW Steel Limited, Tornagallu, Bellary, Karnataka with order value of ₹ 12.27 crores (Including GST).
- carried out G4 level of Mineral Exploration as per the technical directions of National Mineral Exploration Trust (NMET), Ministry of Mines, Govt of India for: -
  - basemetal minerals in Anaji Basemetal Block, Obalapura Basemetal Block, Chitradurga (Dist.), Karnataka and
  - kyanite mineral in Kallahalli Kyanite Block, Mysore (Dist.), Karnataka.
- diversified in to the arena of handling basemetal ME Projects through executing copper exploration works at Anaji and Obalapura basemetal blocks in the state of Karnataka.

### Number of Projects Approved & Value of the Projects

(₹ in crs inclusive of GST)

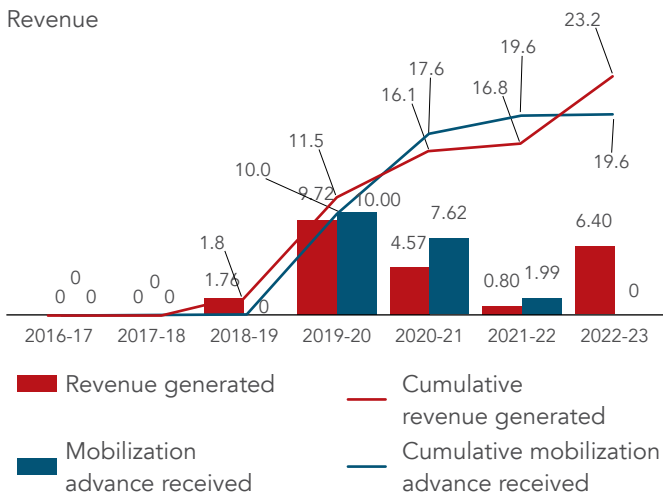


- Captive mines
- Number of projects
- Total value of the projects

- Completed G3 level of ME works in HR Gaviyappa Amalgamated Iron Ore Block (Block ID: KIOCL\_10\_KA) under GoK Funding with submission of Geological Report to DMG, GoK and the Block is under auction by Department of Mines and Geology, Govt of Karnataka.
- Generated a revenue of ₹ 6.40 crores (Including GST) during FY 2022-23 and cumulative revenue of ₹ 23.25 Crores (Including GST) from past 5 years.

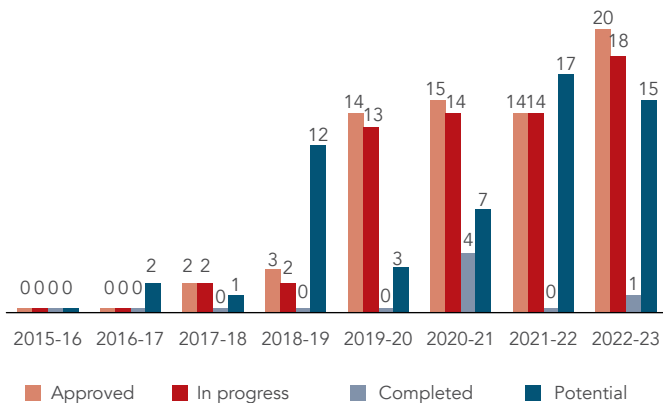
### CASH FLOW

(₹ in crs inclusive of GST)



- Placed a request to Director General, Geological Survey of India for entering into MoU for carrying out NGPM works (National Geo Physical Mapping Programme - baseline data generation programme) in 22 nos of toposheets over an extent of 15,735 sqkm in the state of Tamilnadu.
- Continual efforts are in place for securing 15 potential blocks in the state of Karnataka for bulk and base metals for future ME works through GoK and NMET funding.

### NUMBER OF PROJECTS



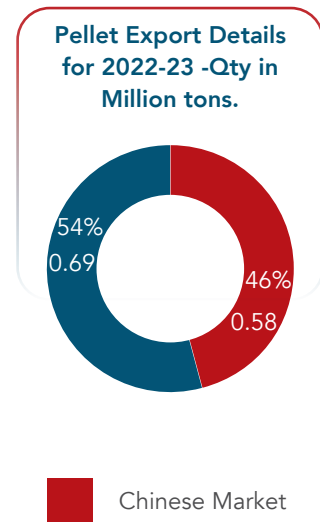
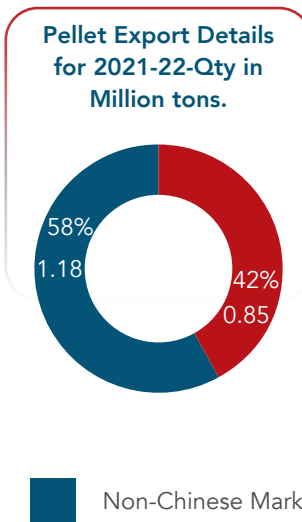
### Operation and Maintenance - M/s. OMC at South Kaliapani, Odisha: -

KIOCL has taken up the project of completing the balance works of COBP 2, OMC at South Kaliapani through a mutual contract agreement. The work involves erection, commissioning and handover the chrome ore beneficiation plant of M/s OMC. The work of commissioning of balance of equipment of new COBP plant of M/s OMC has been completed on 27-06-2022. The no load test was carried out during July-October 2022 since tailing pond of OMC was not available. The load test of the plant was conducted during 10-11-2022 to 10-12-2022 as per contract. The plant modification jobs were done from 11-12-2022 to 31-01-2023 to stabilise the plant operation and finally the plant was declared as commissioned on 10-02-2023. M/s OMC has issued commissioning certificate on 16-03-2023. The plant is handed over to M/s OMC for running. Your Company has earned a net revenue of ₹ 56 crores towards works and supply of equipment.

### EXPANSION OF MARKET BASE

China, being the consumer of more than 50% of the iron ore produced in the world has been the major market for KIOCL Pellets. In continuation with its efforts to sell pellets in the non-Chinese Market to minimize dependency on the Chinese market and to expand its Market presence, about 54.38% of the total exports made were to markets other than China in comparison with about 57.93% during the previous year. Efforts Continued for market share diversification by reaching end-users in Oman, Indonesia, Italy, Turkey, and Netherlands. China controls about 70-80% of sea borne iron ore trade and hence finding market alternative to China for KIOCL pellets is in line with Company's expansion of business plan.

[Source: PMAI, Steel Mint, MoS, IBEF, World Steel, Media Report, PIB, Union Budget, WSA etc.]



## CAPEX AND GROWTH PLAN

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

## DEVELOPMENT & COMMENCEMENT OF DEVADARI IRON ORE MINE

Govt. of Karnataka vide notification dated 23-01-2017 reserved an area of 470.40 ha in Devadari Range, Sandur Taluk, Bellary District for Iron Ore and Manganese in favour of KIOCL Ltd., under the provisions of Section 17A (2) of MMDR Act, 1957. Director, Mine & Geology, GoK vide letter dated 13-02-2017 directed KIOCL to obtain statutory clearance viz Mining plan approval from IBM, Environment clearance from MoEF&CC, Forest clearance from MoEF&CC, GoI, CFE from KSPCB to take further necessary action for execution of mining lease deed.

### Final approval / Stage – II approval

Ministry of Environment, Forest and Climate Change (Forest Conservation Division), Government of India vide its Letter dated December 16, 2022 intimated that the Central Government has accorded Final approval / Stage – II approval under the Forest (Conservation) Act, 1980 for the diversion of 401.5761 hectare (388.00 ha for mining + 13.5761 ha. for approach road=401.5761 ha.) of forest land in Swamimalai Block Forest, Sandur Taluk, Ballari District, Karnataka state for Iron Ore and Manganese Ore Mining in Devadari Hill Range in favour of M/s KIOCL Ltd, subject to the conditions mentioned in said letter.

### Execution of deed for grant of a Mining lease between GoK & KIOCL

Govt. of Karnataka executed the Mining Lease deed on January 2, 2023 with KIOCL Ltd. for grant of a mining lease for Iron Ore and Manganese Ore, over an extent of 388 ha for a period of 50 years in Devadari Range, Sandur Taluk, Ballari District, Karnataka State.



Mining lease deed execution with Director Mines & Geology, GoK

### Registration of Mining Lease Deed document

The Mining Lease deed document executed between Govt. of Karnataka and KIOCL has been registered at the Office of Sub-Registrar, Sandur taluk on 18-01-2023 by paying total amount of ₹ 329.17 crores which includes the stamp duty, cess on stamps and fees for registering documents.

### Issue of Govt. Order for handing over of forest land

Government of Karnataka issued Govt order for final diversion of Forest land 401.57610 ha on 11-04-2023, on handing over of forest land by DCF Ballary to KIOCL, Company will start the activities for commencement & development work at Devadari Iron Ore Mine.

Shri Nagendranath Sinha, IAS, Secretary, Ministry of Steel, Govt. of India visited Devadari iron Ore Mine site on February 25 & 26, 2023 and reviewed the status of commencement and Development work and also chaired the meeting with NMDC, KIOCL & MECON official for the same.



Shri Nagendranath Sinha, IAS, Secretary Steel, GOI, visited Devadari iron Ore Mine on 25<sup>th</sup> & 26<sup>th</sup> Feb. 2023

### Appointment of Agencies for preparation of R&R Plan

Your Board has appointed Federation of Indian Mining Industries (FIMI) for collection of data / information from KIOCL, review of data / information and compilation of data for preparation of Rehabilitation & Reclamation Plan by Indian Council of Forestry Research and Education (ICFRE) for Devadari Iron Ore Mine. The Board has also appointed Indian Council of Forestry Research and Education (ICFRE) for preparation of Rehabilitation & Reclamation (R&R) Plan for Devadari Iron Ore Mine.

### SETTING UP OF COKE OVEN AND DISP PROJECTS OF BFU

Your Company has planned to re-activate the existing Blast Furnace of 350 Cu.M capacity by suitable upgradation with forward integration project of 2.0 lakh TPA DISP and



1.8 Lakh TPA, Coke Oven Plant with waste recovery Power Plant under backward integration projects of existing Blast Furnace Unit. KIOCL's Board and Public Investment Board (PIB) had approved the project with total capital outlay of ₹836.90 crores. MoEF&CC has granted environmental clearance (EC) and KSPCB has accorded consent for expansion in June 2021 valid up to June 2026.

M/s MECON has been appointed as EPCM consultant for the project. Main technological packages envisaged are NRHR type Coke Oven Plant, Waste heat recovery Power Plant, Ductile Iron Spun Pipe, Pulverised Coal Injection Plant (PCI), Oxygen and Nitrogen Plants. Captive coke oven and PCI System will reduce the input raw material cost of Blast furnace operation. The Coke Oven Plant agreement was signed with M/s Tuaman Engg. Ltd, Kolkata on 22-11-2021 and Tripartite agreement was entered among KIOCL, M/s Tuaman Engg. Ltd and M/s. CIMFR, Dhanbad, Technology provider under Atmanirbhar Bharath Initiative. The total project cost for Coke Oven is ₹218.00 crores. The tenders floated for DISP Plant, Power Plant, Pulverized Coal Injection (PCI), Oxygen and Nitrogen plants have been cancelled due to high price and change in procurement policy of Gol. Further process of re-tendering is being reviewed by Company as per the guidelines of Ministry of Steel.

## INSTALLATION OF VERTICAL PRESSURE FILTERS

The existing vacuum disc filters at Pellet Plant are not able to handle Iron ore having high Alumina content and slimy in nature. KIOCL Board approved the project in its 257<sup>th</sup> Meeting held on 26-03-2019 with the estimated cost of ₹ 158.60 crores. Four (04) vertical Pressure filters have been installed at Pellet Plant supplied by M/s METSO to have flexibility to utilize the ore received from any part of the country. Auxiliary equipments are also being supplied by

various vendors and commissioning of Vertical Pressure filters is expected during the year 2023. Company has appointed M/s MECON as consultant for installation of vertical pressure filters. The total savings in production cost by installation of vertical pressure filters is expected to be ₹ 45.3 crores per annum and it would also improve the capacity utilization with flexibility in using iron ores of different types.

## INSTALLATION OF DUAL BURNER SYSTEM

Your Board in its 277<sup>th</sup> Meeting held on 04-02-2022 as a part of green initiative, has taken up the project of installing dual burner system in the indurating machine of Pellet Plant to utilise Natural Gas as an alternative to the Furnace Oil being used currently. The project cost is ₹ 36.80 Crores. The installation of non-recovery coke plant of capacity 1.8 LTPA with indigenous technology provider Central Institute of Mining and Fuel Research (CIMFR), Dhanbad is taken up under Atma Nirbhar Bharath initiative.

## INFORMATION TECHNOLOGY FOR DIGITAL TRANSFORMATION

### Single Integrated Information System / ERP

SAP S/4 Hana ERP on cloud platform has gone live on April 1, 2023 with core modules. The project is named as "Ashwa Megha". The ERP implementation is a major milestone towards digital transformation of the Company.

### Upgradation of Networking System

The network is upgraded with managed L2 and L3 core managed switches with OFC and copper cables with managed network architecture with NMS server having Active Directory (AD) and Authentication, Authorisation and Accounting (AAA) software for central management admin console to monitor the data traffic.



## Data and Cyber Security

The Company relies on state-of-the-art technologies to ensure that the confidentiality, integrity and availability of all its online services and its data are adequately secured from the prevailing cyber security threats. The Company safeguards its data with advanced security systems and successfully defends the system against malicious virus or other cyber threats. The networks of the Company are secured by using Fortinet Next Generation Firewall and Bit Defender End Point Security for protection of end point devices. IT audit and VAPT was carried out during the year.

## HUMAN RESOURCE MANAGEMENT AND INDUSTRIAL RELATIONS

### Human Capital

Total number of employees on the rolls of the Company as on 31-03-2023 was 654 consisting of 195 Executives, 41 Supervisors and 418 Non executives.

**Table: 3 Breakup of employees on rolls as on March 31, 2023**

Group	Total Employees	SC	ST	PWD	Women Employees
A	195	35	16	4	14
B	41	6	2	3	7
C	395	57	26	1	2
D&D(S)	23	2	3	3	1
<b>Total</b>	<b>654</b>	<b>100</b>	<b>47</b>	<b>11</b>	<b>24</b>

### Employee Welfare

The Company continues to extend welfare benefits to the employees and their dependents by way of comprehensive Medical Facilities for self & dependents, retired employees, Housing Facilities, Canteen Facilities, Sports Facilities, First Aid Centre, Ambulance, Recreation centre etc.

### Persons with Disabilities Act, 1995

Your Company ensures compliance under Persons with Disabilities act, 1995. Suitable provisions / modifications are made in the work place to meet the requirements of persons with disability.

### Prevention of Sexual Harassment of Women at Workplace

KIOCL has a zero tolerance towards sexual harassment at the workplace. In line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 (POSH Act), an 'Internal Complaints Committee' has been constituted in the Company for redressal of complaint(s) against sexual harassment of women employees. No complaint

was filed during the year under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### Women in the Workforce and their Empowerment

KIOCL is a Corporate Life Member of the Forum of Women in Public Sector (WIPS) a body functioning under aegis of Standing Conference of Public Enterprises (SCOPE). Women employees are life members of the Forum. Conducting several constructive programmes for the betterment of Women. Several training sessions on empowerment of Women have been conducted for enlightening women and for the contract workers.

### Industrial Relations and Employees Welfare

Your Company continued to maintain harmonious industrial relations, co-operation between the elected representative bodies of employees and management.

### Recruitment & Superannuation

During the year: -

- Company recruited seven (7) Executive Trainees, Eight (8) Graduate Engineer Trainees in group 'A';
- Company recruited three (3) employees at lateral entry;
- Fifty-Two (52) employees superannuated on attaining the age of superannuation.
- No employee was released under VRS scheme.

### Human Resource Development

Various Training programs including in-house training programs, nominations for external seminars, conferences, participation in training programs organized by DPE etc., were carried out to enhance the skillset of employees.

### Revision of Perquisites

Ministry of Steel vide its letter dated 10-04-2023 conveyed the presidential directive to your Company to implement revision of perquisites of Board level and below Board level Executives and Non-Unionised Supervisors from existing rate of 20% to 35% w.e.f. the date of issue of presidential directives strictly as per DPE OM dated 03-08-2017 subject to conditions as mentioned in said letter. In pursuance to Presidential directive perquisites of Board level and below Board level Executives and Non-Unionised Supervisors were revised from 20% to 35% w.e.f. 10-04-2023.

### Remuneration Policy

The Policy of Remuneration to Directors, KMP & other Employees in pursuance to Schedule II Part D (1) of the SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015 is available on Company website at weblink <https://www.kioclld.in/table.php?id=282&lang=EN>. Your Company is a Government Company within the meaning of Section 2 (45) of the Companies Act, 2013 and being a Central Public Sector Enterprise under Ministry of Steel, the remuneration and other benefits of the employees of the Company are fixed / decided by the Department of Public Enterprises (DPE), Govt. of India.

### **Remuneration of Whole Time Directors**

The salary and/or allowances of the Whole Time Directors are decided by the President of India.

### **Remuneration of Independent Directors**

Independent Directors are appointed by the President of India. The remuneration to Independent Directors is paid by way of sitting fee for attending Board of Directors meeting and Committees meetings thereof. The sitting fee is being paid to Independent Directors within the ceiling limit prescribed under Section 197 (5) read with Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### **Remuneration of Government Directors**

No remuneration either by way of salary / allowances or sitting fee is paid to a Government Director representing Ministry of Steel.

### **Remuneration of KMPs other than Directors**

The Salary / allowances of KMPs other than Directors are paid as per the scale of pay determined based on DPE Guidelines.

### **Man-days Trainings**

During the year 6085 of Man-days training was imparted to the employees. Further, the Company in its commitment to good corporate governance, also imparts skill development training to contract workers, apprentices, students from managerial and technical institutes as well as for local population.

## **INTELLECTUAL CAPITAL**

### **Class 16 of the Trade Marks Act, 1999**

In pursuance to the Trade Marks Act, 1999, registration certificates under two applications filed under class 16 were registered during the year 2018 and were valid for a period of ten years from the date of application i.e., upto 06-05-2023. Accordingly, your Company has re-submitted two applications during the year under Class 16 to the Trade Marks Registry. Registrar for Trade Marks has renewed Registration for Trade Mark No. 2526716 and 2526717 in class 16 for a period of ten years from 07-05-2023.

### **Class 6 and 35 of the Trade Marks Act, 1999**

For two applications each filed during the year 2013 under Class 35 (Device Mark - Advertising, Business Management, Business Administration, Office Functions) and Class 6 (Device Mark - Iron Oxide Pellet, Pig Iron Ore Concentrate) of the Act, opposition proceedings are pending.

### **Particulars of Employees**

Ministry of Corporate Affairs vide its notification dated June 5, 2015 exempted Government Company with the applicability of Section 197 of the Companies Act, 2013. However, the remuneration received by the employees of the Company, had not exceeded the limit prescribed under Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### **Public/Staff Grievance Redressal**

Your Company has framed a well-defined grievance procedure, evolved under the 'Code of Discipline'. Staff Grievances received are redressed to the satisfaction of the aggrieved. With respect to public grievance, as and when any complaints are received, necessary remedial action is taken promptly. Complaints/ grievances other than the staff grievance are categorized into customer / consumer complaints / grievances from the Contractors, NGOs / General Public etc. The respective project heads are empowered to dispose of the grievances concerning their areas.

## **CORPORATE GOVERNANCE**

Pursuant to Regulation 34(3) and Para-C of SEBI (LODR) Regulations, 2015, a separate section on Corporate Governance along with certificate from Practising Company Secretary confirming the level of compliance is attached and forms a part of the Board's Report.

### **Directors and Other Key Managerial Personnel**

As on financial year ended March 31, 2023, the Board consists of six members, two of whom were executive or whole-time Directors, two non-executive Director, representing Ministry of Steel and two Independent Directors. Details of sitting fees / remuneration paid to Directors and to KMP's respectively are provided at table no. 15 in Corporate Governance Report.

### **Declaration by Independent Directors**

The Company received necessary declaration from Independent Directors under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the Listing Regulations. The Board of Directors at its 285<sup>th</sup> Meeting held on 05-04-2023, noted the declarations. Independent Directors of the Company have



registered themselves with Independent Directors databank in compliance with Companies (Creation and Maintenance of database of Independent Directors) Rules, 2019 and Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019.

### Women Directors

As on Financial Year ended March 31, 2023, the Company had two women Directors, Smt. Sukriti Likhi, Non-Executive Govt. Nominee Director representing Ministry of Steel and Dr. Usha Narayan, Independent Director.

### Changes in the Composition of the Board

#### Inductions / Cessations

In terms of Article 91 of the Articles of Association of the Company, the President of India is vested with the power to appoint the Directors of the Company from time to time and shall determine the term of office of such Directors. Accordingly, the following appointments/cessations on the Board of your Company were affected as per the directives of the President of India: -

- Shri Devidatta Satapathy, Dy. Secretary, Ministry of Steel was appointed as an Additional Director and designated as Govt. Nominee Director on the Board of the Company with effect from 30-04-2022. Having so appointed, Shri Devidatta Satapathy was regularized with the approval of shareholders by way of postal ballot on 23-07-2022 by virtue of Section 110 of the Companies Act, 2013 read with Regulation 17 of SEBI (LODR) Regulations, 2015.
- Shri Binay Krushna Mahapatra was appointed as Director (Commercial) w.e.f. 30-08-2022.
- Shri Nirmalendu Mohapatra ceased to be the Independent Director on the Board of the Company w.e.f. 20-10-2022 on completion of his tenure.
- Shri G. Ramasamy ceased to be the Independent Director on the Board of the Company w.e.f. 21-11-2022 on completion of his tenure.
- Shri S. K. Gorai ceased to be the Director (Finance) of the Company w.e.f. close of business hours of 31-01-2023, consequent upon attaining the age of superannuation.
- Shri K. V. Bhaskara Reddy ceased to be the Director (Production & Projects) of the Company w.e.f. close of business hours of 31-01-2023, consequent upon attaining the age of superannuation.
- Ministry of Steel vide its order dated 03-05-2023 appointed Dr. Sanjay Roy, Joint Secretary, Ministry of Steel as Govt. Nominee Director on the Board of Company vice Shri Devidatta Satapathy, Director, Ministry of Steel.
- Shri Ganti Venkat Kiran assumed the charge of Director (Production & Projects) w.e.f. 09-05-2023 pursuant to MoS order dated 08-05-2023.

- Shri Manoj Kumar Jhawar assumed the charge of Director (Finance) w.e.f. 26-05-2023 pursuant to MoS order dated 24-05-2023.

### Additional Charge assigned to Directors

- Shri T. Saminathan, Chairman-cum-Managing Director was holding the post of Additional Charge of Director (Commercial) upto 30-08-2023. Further, he was holding the post of Additional Charge - Director (Production & Projects), from 01-02-2023 to 09-05-2023.
- Shri Binay Krushna Mahapatra, was holding the Additional Charge for the post of Director (Finance), from 01-02-2023 to 26-05-2023.

### Appointments / Resignations of KMP

During the year under review, there was no appointment / resignation of KMP. However, Shri S.K. Gorai, ceased to be Director (Finance) and Chief Financial Officer of the Company w.e.f. close of business hours of 31-01-2023, consequent upon attaining the age of superannuation.

Ministry of Steel vide its order dated 24-05-2023 appointed Shri Manoj Kumar Jhawar as Director (Finance) of the Company and he took the charge of the post w.e.f. 26-05-2023. Further Board appointed Shri Manoj Kumar Jhawar as Chief Financial Officer of the Company w.e.f. 30-05-2023.

### Key Managerial Personnel

In terms of Section 203 of the Act, the Key Managerial Personnel of the Company are Shri T. Saminathan, Chairman-cum-Managing Director & Chief Executive Officer, Shri Manoj Kumar Jhawar, Director (Finance) & Chief Financial Officer and Shri P.K. Mishra, Company Secretary & Compliance Officer.

### Directors Retiring by Rotation

In terms of Section 152 (6) of the Companies Act, 2013, Shri T. Saminathan, (DIN: 08291153) Chairman-cum-Managing Director and Shri Binay Krushna Mahapatra, (DIN: 09613777), Director (Commercial) being longest in office shall retire by rotation at the ensuing AGM and being eligible for re-appointment, offers themselves for re-appointment. The Board recommends their re-appointment.

### Number of Meetings of the Board

The Board met seven (7) times during the year under review, the details of which are given in the Corporate Governance Report. The maximum interval between any two Meetings did not exceed 120 days. The Meetings were conducted in compliance with relevant regulations of Listing Regulations and Secretarial Standard -1 issued by The Institute of Company Secretaries of India (ICSI).



View of Board Meeting

### Directors Responsibility Statement

Pursuant to Section 134 of the Act (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), the Directors of the Company state that:

- a) In the preparation of the Annual Accounts for the Financial Year ended March 31, 2023, the applicable Accounting Standards had been followed along with proper explanation relating to material departure.
- b) The Company has selected such Accounting Policies and applied them consistently and made judgments & estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit & Loss of the Company for that period.
- c) The Company has taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Company have prepared the Annual Accounts on a going concern basis.
- e) The Company has laid down Internal Financial Controls, which are adequate and are operating effectively.
- f) The Company has devised proper systems to ensure compliance with the provisions of all applicable laws

and that such systems were adequate and operating effectively.

The aforesaid statement has also been reviewed and confirmed by the Audit Committee and the Board of Directors of the Company.

### Annual Return

The Annual Return of the Company as on March 31, 2023 in Form MGT-7 in accordance with Section 92(3) read with Section 134(3)(a) of the Act and the Companies (Management and Administration) Rules, 2014, is available on the website of the Company at weblink <https://www.kioccltd.in/data.php?id=191&lang=EN>.

### MCA-21 e-filings

During the year under review, the Company filed all the statutory forms and returns electronically as per the manner and conditions for filing prescribed under Companies (Registration Offices and Fees) Rules, 2014. The financial statements for the year under review were filed in accordance with the requirements of Section 134 read with Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, 2015.

### Compliance with Secretarial Standards

The Company complies with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

## Other disclosure

The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year alongwith their status as at the end of the financial year.

There was no application made or proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year under review.

The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

Not Applicable

## Statutory Auditor

The C&AG of India vide its letter dated 30-08-2022 had appointed M/s YCRJ & Associates, Chartered Accountants as the Statutory Auditor of the Company under Section 139 of the Companies Act, 2013 for the financial year 2022-23. The Auditors have confirmed that they are not disqualified from being appointed as Auditors of the Company. The Auditors remuneration for the year was fixed at ₹8.50 Lakhs plus applicable taxes for Statutory Audit. The total amount paid to the Statutory Auditors for all services rendered to the Company during 2022-23 was ₹12.15 Lakhs.

The Statutory Auditors have issued an unmodified opinion on the financial statements for the financial year 2022-23 and the Auditor's Report forms part of Annual Report.

## Cost Records and Cost Audit

The Company is maintaining the cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013. The Cost Audit Report for the Financial Year 2021-22 was filed with the Ministry of Corporate Affairs on 07-10-2022. The Cost Audit Report for Financial Year 2022-23 is under finalisation and will be submitted to the Ministry of Corporate Affairs within the prescribed timeline.

## Cost Auditor

The Company maintains cost records as required under the provisions of the Companies Act. The Company had appointed Cost Auditors for conducting the audit of the cost records maintained for its Pellet Plant Unit during the Financial Year 2022-23. A remuneration of ₹ 50,000/- was fixed by the Board for payment to the cost auditors for Financial Year 2022-23, which was ratified by the shareholders in the last AGM. The cost audit reports are filed with the Central Government in the prescribed form within the stipulated time. For the Financial Year 2023-24,

the Board on the recommendations of the Audit Committee, had re-appointed M/s R. M. Bansal & Co., Cost Accountants to audit the cost records. The remuneration payable to the Auditor being placed before the members in this Annual General Meeting (AGM) for their ratification vide Resolution at Item No. 8 of the Notice convening the AGM.

The Cost Audit Report for the financial year 2022-23 does not contain any qualification, reservation or adverse remark.

## Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed M/s P.S. Bathla & Company Secretaries, Practicing Company Secretary for conducting the Secretarial Audit for the Financial Year 2022-23. The Secretarial Audit Report for the Financial Year 2022-23 forms part of the Directors Report.

The Secretarial Audit Report and Secretarial Compliance Report for the financial year 2022-23 forms part of this report.

## Internal Auditor

Pursuant to provisions of Section 138 of the Companies Act, 2013 read with rule 13 of Companies (Accounts) Rule 2014 and based on the recommendation of the Audit Committee, the Board of your Company had appointed M/s Manohar Chowdhry & Associates, Chartered Accountants, Bangalore as the Internal Auditor of the Company for conducting Internal Audit for the Financial Year 2022-23 at audit fees of ₹13,80,000/-. The objective of internal auditing is to assist the Audit Committee/ Management in the effective discharge of their responsibilities by furnishing them with analysis, appraisals, recommendations and pertinent comments concerning the activities reviewed. Besides conducting transaction audit with adherence to legal and regulatory requirements, Internal Audit is to evaluate the adequacy of risk management and internal control system in the Company. While focusing on effective risk management and control in addition to appropriate transaction testing, the Internal Audit offers suggestions for mitigating current risks and also anticipate areas of potential risks. The quarterly Internal Audit Report is being placed before the Audit Committee for its information and review.

## Reporting of Frauds by Auditors

During the year under review, Auditors has not reported to the Audit Committee (under Section 143 (12) of the Companies Act, 2013) any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

## C&AG Audit

The Comptroller & Auditor General of India (C&AG) vide its letter dated 21-07-2023 has conveyed "Nil" comments on the



accounts of the Company for the year ended March 31, 2023. Copy of the same is annexed to this Report.

### **Adoption of new Memorandum of Association and Articles of Association**

In line with the approval of the Board at its Meeting held on 11-02-2020, the proposal for adoption of new set of Memorandum of Association and Articles of Association had been taken up with the Administrative Ministry for its approval vide Company's letter dated 11-03-2020. The approval from Ministry is awaited.

## **CORPORATE SOCIAL RESPONSIBILITY**

During the Financial Year 2022-23, the Company has spent ₹589.96 lakhs towards CSR expenditure, including projects identified as ongoing for FY 2022-23 and to be completed during FY 2023-24 of ₹196.10 lakhs, set-off of excess CSR spends of ₹34.98 lakhs, in terms of the CSR activity recommended by the CSR Committee and approved by the Board of Directors, from time to time. The brief outline of the Corporate Social Responsibility (CSR) initiatives undertaken by the Company during the year under review form a part of this Report as an Annexure in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amendments. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report. The CSR policy is available on weblink <https://www.kioclld.in/table.php?id=282>.

## **KEY INITIATIVES**

### **Environmental Management and Pollution Control Measures**

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

- A 80 KLD capacity Sewage Treatment Plant is operational in Pellet Plant Unit. A 2 Km length sewerage system is connected to the STP. The sewage is being treated adopting Membrane Bio Reactor. The treated effluent is completely recycled in the process.
- A mobile water sprinkler of 6 KLD capacity is continuously operated for suppression of dust in Plant premises.

### **Safety**

The Onsite Emergency Plan approved by Director of Factories is in existence for both Pellet Plant and Blast furnace unit. The same will be updated as and when there is a change in plant condition as well as emergency team members and emergency mock drills are conducted to practice the role of each member of emergency teams. The previous mock drill was conducted on 13-12-2022

in CPP-PPU. Worker's participation in Safety Management System is one of the important subjects as per the Factories Act. The Company has formed area wise safety committees. Worker's participation in these Safety Committees is ensured in PPU and BFU units of KIOCL. The safety committee meetings are conducted on 24-03-2022, 20-07-2022, 25-10-2022, and 04-01-2023 in PPU and 07-05-2022, 27-01-2023 (BFU). The Safety Audit by an external agency has been conducted in the month of May 2022 through a reputed Govt. agency M/s National Safety Council, Mumbai, as per statutory requirement and to maintain the plant premises in a safe condition. The next is planned in May, 2024. A very effective administrative tool of educating the employee's regarding safety is tool box talk which is being in practice in both units on daily basis to educate all the workmen including contractors.

Safety Inspections are carried out regularly once in a week and once in two months by the Safety officer/staff along with concerned department engineers and Safety committee members. The observations made during Inspection are noted and reported to concerned departmental heads for compliance.

Internal cross departmental Safety audit has been conducted along with a Committee members, formulated by competent authority to conduct as per Standard checklist IS: 14489. The previous internal safety audit was held in Dec, 2021 and next external audit is planned in the month of May, 2023.

Suitable standard Personal Protective equipment's such as Safety helmets, Shoes, Respirators, Rain coats, Gloves, Safety Goggles, Face shields, Aprons, Ear plugs/muffs are purchased and issued to all employees including Contract labors to protect them against work place hazards.

Various Training programmes are being conducted to inculcate Safety consciousness and to develop the human resources. The Refresher Training on SOPs and Maintenance activities, first aid, Firefighting training, Awareness programme on Environment, Occupational health, Safety, Vigilance Sustainable development, Productivity. The total training of 4185 Man days, provided for regular employees on the above said subjects and 1779 Man days for contractors' workmen on Work place Safety as per IMS requirement and statutory requirements. Sixty-nine ATS trainees are given with 50 RI classes each and 3450 Man days training on, on-the job skill development training also 277 Technical college students are provided with one week each Internship training during 2022 and 2023.

As per The Factories Act 1948, the Company is conducting National Safety week celebrations. The previous National Safety week celebration was conducted on March 4, 2023 to March 10, 2023. The Safety Boards and Emergency contact telephone number's boards are displayed in KIOCL PPU and BFU sites every year.

## Steel Safety code

The Steel Safety Code is studied and adopted in the Company. Regular training is provided for all employees in phased manner to all Executives from top to front line supervisors.



First aid fire fighting

## ISO Certification

KIOCL was certified with ISO 9001: 2015 for Quality Management System, ISO 14001: 2015 for Environmental Management System and ISO 45001:2018 for Occupational Health and Safety Management System under registered number R191/9103. The accrediting Agency M/s International Certification Services Pvt Ltd, Mumbai, issued ISO recertification for all above mentioned standards as Integrated Management System (IMS) on 14-01-2022 and it is valid up 08-11-2024. To comply with IMS ISO standards, KIOCL is conducting internal departmental audits, management review meetings and apex committee meetings as per ISO standards. Every year, the certifying agency is conducting surveillance audit for confirming the electiveness of implementation of IMS system in accordance with required ISO standards. The last surveillance audit was done during the month of January 2023 and the agency recommended for continuation of IMS Certificate.

## Implementation of Official Language Policy

To ensure compliance of Official Language Policy of the Union, the Rajbhasha Department of KIOCL Limited takes every action. This covers activities broadly divided into three main categories, i.e. (i) Training, (ii) Translation, and (iii) Implementation.

An employee of Company received prestigious Rajbhasha Nistha shield during Hindi Salahkar Samiti meeting chaired by Honourable Union Minister held in Gangtok on 13-05-2022. Shield was received by Chairman-cum-Managing Director, KIOCL Limited. As another achievement Pellet Plant Unit of Company secured third prize for Official Language excellence from TOLIC, Mangaluru.

During the year Rajbhasha Department scheduled Official Language Implementation Committee meetings, organised workshops and conducted Official Language inspections as per targets of the Annual Program 2022-23 of Department of Official Language (Ministry of Home Affairs). During the year Chairman-cum-Managing Director marked his remarkable presence in Hindi Salahkar Samiti Meeting held in Gangtok on 13-05-2022 and Varanasi on 31-08-2022 and received accolades from Honourable Minister of Steel. Chairman-cum-Managing Director received Bhartendu Harishchandra Award on 08-12-2022 from BEL Corporate Office in a competition conducted for Chief of Offices under aegis of TOLIC (PSU), Bengaluru.

Inspection was carried out by the third Sub-Committee of the Committee of Parliament on Official Language on 04-11-2022 at Corporate Office at Bengaluru. A Hasya Kavi Gosthi was organised on 31-12-2022 at Corporate Office and honourable Union Minister of State for Steel and Rural Development Shri Faggan Singh Kulaste graced the occasion as chief guest.



Inauguration of Hasya Kavi Gosti on 31-12-2022 at Corporate Office by Hon'ble Union Minister of Steel and Rural Development Shri Faggan Singh Kulaste

During the year Company participated in Second All India Conference on Official Language held in Surat on 14-09-2022. Subsequently the Company organised various Hindi competitions during Hindi Pakhwada, 2022 in which all groups of employees participated. Incentive scheme for original work in Hindi has been implemented in the organisation and total 41 employees were rewarded with cash prizes this year. The E-Magazine of Company 'Shrigandha' was published and the link of the e-magazine was also provided on the website of the Company and Official Language Department (Ministry of Home Affairs) under E-Pustakalay segment.

## Vigilance

Preventive vigilance has been the thrust area of Vigilance Department all these years and the same has received focused attention during the year. A climate of preventive vigilance is generated to sensitize officials at all levels about the ill effects

of corruption and malpractices. Regular Structured Meeting of Vigilance with the management is being conducted and issues related to system improvements, e-governance, Leveraging Technology, Tender Management, Award of Works, Recruitment Policy have been discussed.

The Vigilance Department is certified for compliance to ISO certification 9001-2015 standards to ensure continuous improvement in Quality Management System. Certificate is renewed and is valid till January 29, 2025. e-Procurement is in vogue and the threshold value for this is fixed at ₹ 2 Lakhs and above. During the year, 94.51% of contracts by value are covered under this. All payments are being made through electronic mode. During the Year, 196 work/purchase/sale orders have been issued incorporating Integrity Pact Clause, covering 97.48% of contracts by value. No complaints have been received under Integrity Pact. 66 Scrutiny / examinations, 38 checks / inspections were carried out during the period and corrective actions, if any were suggested. Necessary action is taken as regards to the complaints received during the year.

As a new initiative, publication of quarterly “Vigilance Newsletter” commenced from January, 2022. These are circulated among Officers and employees through e-mail, WhatsApp and also available on the website of KIOCL. They bring out the latest O.M.s and Circulars issued by various Ministries/Departments of Government of India and Central Vigilance Commission which have bearing on the working of KIOCL for compliance with a view to keep employees abreast of Rules, Regulations and Guidelines. Also, articles on relevant topics and initiatives taken by other organizations in areas of systemic improvement and preventive vigilance which can be a model for adoption to improve working are shared which would add to the knowledge of the employees and benefit the Company. Vigilance Awareness Week was observed from October 31 to November 6, 2022 at all the locations/offices of KIOCL Limited. The theme of this year’s Vigilance Awareness Week was “Corruption free India for a developed Nation;

भ्रष्टाचार मुक्त भारत – विकसित भारत”. Workshops, Guest Lectures, Sensitization programs & vendor meet were conducted during the week. Essay, slogan writing and quiz competitions were conducted among the employees. Essay writing competitions were also conducted for students of Schools & Colleges. On this occasion, the importance of observing the Vigilance Awareness Week and steps taken to strengthen vigilance activities were highlighted.

### Vigil Mechanism

Your Company has a Whistle Blower Policy and has established the necessary vigil mechanism for Directors and Employees in confirmation with Section 177(9) of the Act and Regulation 22 of Listing Regulations, to report concerns about unethical behaviour. The details of the policy have been disclosed in the Corporate Governance Report, which forms part of this report and is available on link <https://www.kioclltd.in/table.php?id=279>. During the period under review, no person was denied access to the Chairman of the Audit Committee.

### Integrity Pact

With the commitment to maintain the highest standard of transparency and governance, your Company has entered into an integrity Pact with Transparency International and has also appointed Independent External Monitors (IEMs). Structured Meetings are held with IEMs on regular intervals and threshold value is ₹ 30 lakhs for signing of Integrity Pact for purchase / works contracts.

### Details of Independent External Monitor (IEM)

Dr. Yatindra Pal Singh, IRSE (Retd.) and Shri. Paul Antony, IAS (Retd.) have been appointed as Independent External Monitors (IEMs) for Implementation of the Integrity Pact Programme in KIOCL Ltd with effect from 27-08-2022 for a period of three years.



Placards on Anti-corruption quotes displayed during walkathons held in observance of Vigilance Awareness Week



## Compliance of recommendations made by the Committee on Papers Laid on the Table (Rajya Sabha) in its 150<sup>th</sup> Report

Details of cases initiated / disposed-off during 2022-23: -

The details of vigilance cases initiated / disposed-off during 2022-23 are as under: -

- No. of cases pending as on 31-03-2022	: -	3
- No. of cases initiated during 2022-23	: -	0
- No. of cases disposed-off during 2022-23	: -	1
- No. of cases pending as on 31-03-2023	: -	2

### Nature of pending cases: -

1. Favouritism in various recruitment and promotions made in KIOCL.
2. Irregularities in appointment of First Aid Superintendent in Port Trust Hospital, NMPT while on deputation from KIOCL.

Officers involved	: 2
Charge sheets issued on	: 26-08-2021 & 27-04-2022
Disciplinary proceedings	: One is under finalisation. Second stage advise of CVC awaited in another case.

### Audit Paras:

There is no pending Audit Para from C&AG during the year under review.

### Expenditure on R&D

At KIOCL, R&D activities and innovation initiatives are being taken up departmentally based on the need on continuous basis to improve upon the existing process system, bring down the cost of production and to achieve the set targets. The expenses are also covered as per the provisions made in the budget. During the financial year 2022-23, following R&D activities have been taken up: -

- **The High Efficiency Rotor Assembly** is operating at full load most of the time. The design of the impeller is more than 35 years old and presently better design impellers with better efficiency are available. Hence the matter was taken up with various fan manufacturers for supply of better efficiency impeller which can be mounted on the existing foundation, bearing supports and casing. Already an Order no. 407360-I dated 15-12-2020 is placed on M/s. Boldrocchi India Pvt. Ltd. for the supply of high

efficiency impeller. The High efficient Rotor assembly for VZ-31 FAN delivered on April 11, 2022. High Efficiency Rotor Assembly was installed in Recuperation Fan to improve operation. Performance checked and found satisfactorily. The expenditure on Design, manufacture and supply of High Efficiency Rotor Assembly is ₹ 72,00,000/-

- **Reduction in length of CB92 conveyor:** - As the fines storage Silo is not being used, the length of the pellet loading conveyor CB92 was reduced by 120m by relocating the tail pulley. The advantages of this modification are (a) Reduced power consumption to the extent of 20% and (b) Reduced maintenance cost. Due to the reduction in length, we were able to reduce installed quantity of idlers, brackets, conveyor belts amounting to a cost of ₹ 26,10,600/- there by leading to equivalent reduction in inventory costs.
- **Fixing of VFD for Thickener underflow pump PS125, in place of fixed speed drive.** With the fixed speed drive, PS125 was running at full load, which is not always desirable. Sometimes it is required to run at lesser RPM to control the pump density. With the fixing of VFD for PS125, the following advantages are achieved:
  - 1) Better control of pump density which improves the process efficiency.
  - 2) Reduction in power consumption, as the pump needs to run at on average of 75% of full load to achieve the desired density. The cost of VFD is ₹ 3,78,800/-. This cost will be paid back in one year even if the pump runs at 75% load for 6 hours in a day for 300 days in a year.

### Procurement of raw material from sources other than NMDC

During the year under review, your Company has procured around 20,616 MT of Iron Ore Fines from sources other than NMDC.

### MSME Act, Section 21 & Filing of Form MSME-1

As per MSME Development Act 2006, where any MSME vendor supplies any goods or renders any services to any buyer, the buyer shall make payment within 45 days from the day of acceptance of goods/ services. Where any buyer fails to make payment to the supplier within 45 days, the buyer shall be liable to pay interest on that amount.

A total amount of ₹84.80 crores was paid to MSME vendors during the Financial Year 2022-23 and the details of the amount released and the number of days to which the payments were released are furnished below:

(₹ in crores)				
0 - 15 days	15 - 30 days	30 - 45 days	> 45 days	Total
71.93	10.70	2.17	-	84.80

The Ministry of Corporate Affairs (MCA) issued a notification on 22-01-2019 states that specified Companies having outstanding dues to the MSME (Micro, Small and Medium) enterprises have to file the particulars of all current outstanding dues in Form MSME-1 with the ROC (Registrar of Companies). Since, your Company had no payments outstanding for more than 45 days to the MSME supplier, form MSME-1 was not required to be filed during the year.

### Implementation of Public Procurement Policy for MSEs

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

- List of item components that could be sourced from MSEs were posted on the Company's website at [www.kioclltd.in](http://www.kioclltd.in) for the information of MSE vendors.
- Communication sent to all the registered vendors regarding the said policy with the objective of achieving an overall procurement from MSEs. Further, for enhancing the procurement from MSEs owned by SC/ST, all the vendors were approached for capturing necessary details and update the data bank.
- During the FY 2022-23, Company placed orders for Goods & Services for a value of ₹ 163.48 crores from MSE's which constituted 39.15% of the total procurement value of ₹ 417.62 crores (excluding iron ore fines and furnace oil).

The procurement from MSMEs complies to Public Procurement Policy during the financial year 2022-23 as placed below:

(₹ in crores)	
1	Total annual procurement 417.62
2	Target %age of annual procurement 25%
3	Total value of goods and services procured from MSEs (including MSEs owned by SC/ST entrepreneurs) 163.48
4	Total value of goods and services procured from only MSEs owned by SC/ST entrepreneurs 4.38

(₹ in crores)	
5	% age of procurement from MSEs (including MSEs owned by SC/ ST entrepreneurs) out of total procurement 39.15%
6	% age of procurement from only MSEs owned by SC/ ST entrepreneurs out of total procurement 2.68%
7	% age of procurement from Women MSEs 3.62%

The deficit under the targets and sub-targets was due to non-availability of vendors, several initiatives were undertaken to identify the entrepreneurs for procurement of goods and services from MSEs owned by SC / ST enterprises.

### Trade Receivables Discounting System (TReDS) platform

In exercise of powers conferred by Section 9 of the Micro, Small and Medium Enterprise Development Act, 2006 (27 of 2006), the Central Government has issued instructions that all CPSEs shall be required to get themselves on boarded on the Trade Receivables Discounting System (TReDS) platform, set up as per the notification of the Reserve Bank of India. In compliance with the above instruction, your Company is on the TReDS platform to facilitate financing of trade receivables of MSEs by discounting of their receivables and realisation of their payment before the due date. During FY 2022-23, no complaint was filed by the MSEs, on MSME SAMADHAN – Delayed Payment Monitoring System.

### Procurement from Government e-Marketplace (GeM)

During the Financial Year 2022-23, the Company had placed 438 orders on GeM amounting to ₹315.91 crores against ₹ 260.72 crores during the previous Year

### Right to Information

In consonance with the spirit of Right to Information Act, 2005 the Company has created necessary mechanism as required under the Act. The Public Information Officers and Appellate Authorities are effectively responding to the requests and appeals of the applicants. The names of all PIOs/ Appellate Authorities are displayed on the Company's website. During the year, 40 RTI applications were received and were disposed-off within stipulated time.

### Energy Conservation, R&D, Technology Absorption, Forex Earnings & Outgo

Details of Energy Conservation, R&D, Technology Absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule, 8 of the Companies (Accounts) Rules, 2014, is annexed to this report.

## Appreciations and Acknowledgement

Your Directors gratefully acknowledge the support, co-operation and guidance received from the Hon'ble Minister of Steel, Hon'ble Minister of State for Steel, Hon'ble Chief Minister of Karnataka, the Secretary, Ministry of Steel and other officials of the Ministry of Steel as well as other Ministries of the Government of India, Government of Karnataka, Odisha, Tamil Nadu and all other departments / agencies of Central and State Government in all the endeavours of the Company. The Board is also thankful to all its stakeholders, including bankers, investors, members, customers, consultants, technology licensors, contractors, vendors, etc., for their continued support and confidence reposed in the Company.

Your Directors appreciate and value the contribution made by every member of the KIOCL family.

**For and on behalf of the Board of Directors**

Sd/-

**(T. Saminathan)**

Chairman-cum-Managing Director

DIN: 08291153

Date: 09-08-2023

Place: New Delhi



# Report on Corporate Social Responsibility

Your Company has formulated a Corporate Social Responsibility Policy in line with the Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 read with various clarifications, amendments issued by the Ministry of Corporate Affairs (MCA).

The CSR Programs / Initiatives / Projects are taken up in line with the Schedule-VII of the Companies Act, 2013, which is duly incorporated in the Corporate Social Responsibility Policy and forms the guiding principle for all our programs. The objective of CSR is to contribute towards inclusive growth, sustained and equitable development in society through capacity building measures, empowerment of the marginalized and underprivileged sections/communities. Focused interventions are undertaken in the sectors of healthcare, education, rural development, environmental sustainability etc.

The CSR initiatives are taken up by consulting a wide range of stakeholders, including local people and local administration. The projects are prioritized as per the needs of the community and continuous monitoring is done to improve their lives.

During the Financial Year 2022-23, the Company has spent ₹ 589.96 lakhs towards CSR expenditure, including projects identified as ongoing for FY 2022-23 for an amount of ₹ 196.10 lakhs, set-off of excess CSR spends availed for ₹ 34.98 lakhs, in terms of the CSR activity recommended by the CSR Committee and approved by the Board of Directors, from time to time.

The Company has undertaken CSR activities with focus on health care and nutrition. Special focus is also aimed at promotion of education, providing pure drinking water, environment sustainability, skill development etc. to marginalized and downtrodden section of the society with preference to Aspirational Districts identified by the NITI Aayog. Following are some of the major CSR initiatives carried out by KIOCL during the year 2022-23.

## HEALTH CARE

- KIOCL has provided financial assistance for procuring 5 No's of Dialysis Unit at Wenlock hospital, Dakshina Kannada District to provide health care support to poor & economically weaker section of society.
- Provided vehicle to child-line 1098 Dakshina Kannada District for the benefit of children who are orphans, economically backward etc.
- Provided financial assistance for construction of Red Cross Centenary building project at Mangaluru.

- Provided financial assistance for purchase of 300 MA CR SYSTEM for community Health Centre, Vamadapadavu (X-Ray machine) for the benefit of health & family welfare dept., Dakshina Kannada District.
- Provided financial assistance towards construction of aluminium partition wall and granite platform to microbiology lab at Sir C.V Raman General Hospital, Bengaluru to provide health care support to poor & economically weaker section of society.
- Provided Seven-wheel chairs to St. Johns Medical & Charitable Hospital, Koramangala, Bengaluru to help paediatric patients and patients with special need.
- Provided financial assistance towards purchase of medical equipments to Govt Taluk Hospital, Hukkeri, Belgaum, Karnataka to provide health care support to poor & economically weaker section of society.
- Provided financial assistance for procurement of medical equipments & other required items to Govt. General hospital and maternity hospital, Hospet, Bellary District to provide health care support to poor & economically weaker section of society.
- Provided 20 tricycles to handicapped persons at Sandur, Bellary District.
- Provided financial assistance for Kidney transplant of patient belonging to economically weaker section.

## PROMOTION OF EDUCATION

- During the year, KIOCL has provided computers & printers to 06 Govt. schools in Narasingapura Gram Panchayath, Sandur, Bellary District to support education of poor children. Around 1000 students from poor & economically weaker section of society are benefitted from the project.
- KIOCL has provided lab equipments & furniture's to Girls PU College, Sandur, Bellary District. Around 200 girl students from poor & economically weaker section of society are benefitted from the project.
- Provided medical text books to 20 meritorious MBBS students from socio-economically poor & rural background to support their higher education.
- Provided Computer, UPS, projector, water purifier to govt aided high school, Kulur, Mangaluru to support education of poor children. Around 200 students from poor & economically weaker section of society are benefitted from the project.

- Provided furniture to Govt. Higher Primary School, Meenakaliya, Baikampady, Mangaluru for benefit of poor students.
- Provided scholarship to children studying in Govt. schools and colleges in & around Mangaluru.



Tricycles to handicap person



Medical textbooks to 20 meritorious MBBS students from socio-economically backward

## DRINKING WATER FACILITY

- KIOCL has provided pure drinking water facility to Anganwadi Centres in Yadgir District which is identified as aspirational district in Karnataka.
- Provided pure drinking water facility with Reverse Osmosis Plant in PNS School, Koramangala, Bengaluru for benefit of poor students studying in the school.
- Pure Drinking Water Facility to Govt High School, near APMC, Sandur, Bellary District for benefit of poor students studying in the school.
- Providing water purifier, lab items, materials to DKZP Hr. Primary School, Kenjar.

## OTHERS

- KIOCL has provided financial assistance towards providing food, shelter, clothing, education and medicine to orphan children accommodated at Mangala Seva Samithi, Mangaluru.
- Financial assistance for creation of Miyawaki Forests-New Urban Green Spaces in Mangaluru City under Environment Sustainability.
- KIOCL provided financial assistance for conducting National Level Chess Tournament at Mangaluru.
- KIOCL has provided NATIONAL FLAGS & conducted outreach programs to support "Har Ghar Tiranga Campaign" under the aegis of Azadi Ka Amrit Mahotsav of Govt. of India.



Azadi Ka Amrut Mahotsav Campaign



Financial Assistance to Orphanage

# Report on Corporate Governance

In accordance with the Corporate Governance provisions specified under Regulations 17 to 27 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the report containing the details of Corporate Governance systems and processes presented as detailed below:

## Company's Philosophy

The Corporate Governance Policy of your Company rests upon the four pillars of Transparency, Full Disclosures, Independent Monitoring and Fairness to all. The Company believes that conducting business in a manner that rests with these four pillars would deliver long-term returns to the shareholders, favourable outcomes to the customers, attractive opportunities to the employees and making the suppliers as partners in progress resulting in the enrichment of the Society. The Company has set itself the objectives of expanding its capacities and becoming competitive in its business. As its progress on its growth path, the Company believes in adopting the 'best practices' that strengthen the Corporate Governance objectives of delivering sustainable value to all its stakeholders. The Board of your Company considers itself as a trustee of its stakeholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth.

## Policies & weblink for accessing:

The SEBI listing regulations mandated the formulation of certain policies for all listed Companies. Accordingly, your Company has formulated its Corporate Governance policies, which are hosted on its website at <https://www.kiocltd.in/table.php?id=282>. These policies are reviewed periodically

by the Board and are updated based on the need and new compliance requirements.

## BOARD OF DIRECTORS

### Composition of the Board

Your Company being a Government Company within the meaning of Section 2(45) of the Companies Act, 2013, the appointments / nominations of all Directors are vested with 'The President of India', acting through Ministry of Steel. The Articles of Association of the Company stipulate that the number of Directors shall not be less than five and not more than thirteen. As on March 31, 2023, the composition of Board of Directors of the Company comprises of six Directors, including two Functional Directors, two Directors nominated by Ministry of Steel and two Independent Directors. The brief profiles of Directors are available at <https://www.kiocltd.in/table.php?id=128>.

The Board of Directors comprises of professionals of eminence drawn from diverse fields of expertise. They collectively bring to the fore a wide range of skills and experience to the Board, which elevates the quality of the Board's decision-making process.

### Attendance at Board Meeting, Last AGM and Directorships held

As mandated by Para 'C' of Schedule V of SEBI (LODR) Regulations, 2015, neither of the Directors are members of more than ten Board level Committees, nor the Chairmen of more than five Committees across all the Companies, in which they are Directors. The composition of Board of Directors and their attendance to various Meetings during the Financial Year 2022-23 is given in Table 1.

**Table 1: Composition & Attendance Record of the Board Meetings**

Name of Director (S/Shri/Ms./Dr.)	Category	Attendance / Total Meetings	Whether attended last AGM (Yes/No)	Number of Committees#		Shareholding (Equity shares of ₹ 10/- each)	No. of Directorships in other Listed companies as on 31-03-2023	Name of other Listed Co.'s in which Directors holds Directorship as on 31-03-2023	Category of Directorship in other Listed companies
				Member	Chairman				
T. Saminathan <sup>1</sup> (DIN 08291153)	EXECUTIVE	7/7	Yes	2	NIL	NIL	NIL	NA	NA
S.K. Gorai <sup>2</sup> (DIN 07223221)		6/6	Yes	NIL	NIL	NIL	NIL	NA	NA
K V Bhaskara Reddy <sup>3</sup> (DIN 08672764)		6/6	Yes	NIL	NIL	200	NIL	NA	NA
B K Mahapatra <sup>4</sup> (DIN 09613777)		4/4	Yes	1	NIL	NIL	NIL	NA	NA



Name of Director (S/Shri/Ms./Dr.)	Category	Attendance / Total Meetings	Whether attended last AGM (Yes/No)	Number of Committees#		Shareholding (Equity shares of ₹ 10/- each)	No. of Directorships in other Listed companies as on 31-03-2023	Name of other Listed Co.'s in which Directors holds Directorship as on 31-03-2023	Category of Directorship in other Listed companies
				Member	Chairman				
*Sukriti Likhi** (DIN 01825997)	NON EXECUTIVE	7/7	No	NIL	NIL	NIL	3	1. NMDC 2. SAIL 3. NMDC Steel	Nominee Director
*Devidatta Satapathy**5 (DIN 09591943)		5/6	No	NIL	NIL	NIL	NIL	NA	NA
Nirmalendu <sup>6</sup> Mohapatra (DIN 07352648)		4/4	Yes	NIL	NIL	NIL	NIL	NA	NA
G Ramasamy <sup>7</sup> (DIN 08632590)	INDEPENDENT	5/5	Yes	NIL	NIL	NIL	NIL	NA	NA
Changdev Sukhadev Kamble (DIN 09351638)		7/7	Yes	2	1	NIL	NIL	NA	NA
Usha Narayan (DIN 09351511)		7/7	Yes	2	1	NIL	NIL	NA	NA

## Notes:

#Chairmanship and membership as on 31-03-2023 of Audit and Stakeholders Relationship Committee in KIOCL Limited only are considered. Further while calculating Membership in Committees, Chairmanship & Membership both are considered. As on 31-03-2023, none of our Directors are holding Chairmanship / Memberships in the Committees of other Companies.

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

\*\*Due to pre-occupation Govt. Nominee Directors could not attend the 46<sup>th</sup> AGM.

- Shri T. Saminathan, Chairman-cum-Managing Director was holding the Additional Charge of Director (Production & Projects) w.e.f. 01-02-2023 till 09-05-2023 in pursuance to Ministry of Steel Orders No. S-14015/1/2023-BLA dated 24-01-2023, No. S-14015/1/2023-BLA dated 18-04-2023. Accordingly, Shri T. Saminathan became member of Audit Committee & Stakeholders Relationship Committee in the capacity of Director (Production & Projects).
- Shri Swapn Kumar Gorai ceased to be the Director (Finance) w.e.f. the close of business hours of 31-01-2023, on account of retirement from the Company on attaining the age of superannuation.
- Shri K V Bhaskara Reddy ceased to be the Director (Production & Projects) w.e.f. the close of business hours of 31-01-2023, on account of retirement from the Company on attaining the age of superannuation.
- Ministry of Steel vide Order No. 5/1/2021-BLA dated 24-08-2022 appointed Shri Binay Krushna Mahapatra as Director (Commercial) of KIOCL Limited. Accordingly, Shri Binay Krushna Mahapatra assumed the charge of Director (Commercial), KIOCL Limited on 30-08-2022. Shri Binay Krushna Mahapatra was also holding the additional charge of Director (Finance) from 01-02-2023 to 26-05-2023 in pursuance of Ministry of Steel Orders No. S-14015/1/2023-BLA dated 24-01-2023 & No. S-14015/1/2023-BLA dated 18-04-2023.
- Ministry of Steel vide its Order No. S-14011/1/2022-BLA dated 27-04-2022 appointed Shri Devidatta Satapathy as Govt. Nominee Director on the Board of Company. The Board appointed Shri Devidatta Satapathy as Govt. Nominee Director w.e.f. 30-04-2022. Further, Ministry of Steel vide its order No. S-14011/1/2022-BLA dated 03-05-2023 appointed Dr. Sanjay Roy, Joint Secretary, Ministry of Steel as Govt. Nominee Director on the Board of Company vice Shri Devidatta Satapathy, Director, Ministry of Steel. Shri Satapathy was granted Leave of Absence for 284<sup>th</sup> Board Meeting held on 08-02-2023.
- Shri Nirmalendu Mohapatra ceased to be an Independent Director on the Board w.e.f. the close of business hours of 20-10-2022, on completion of his three-year tenure.
- Shri G Ramasamy ceased to be an Independent Director on the Board w.e.f. the close of business hours of 21-11-2022, on completion of his three-year tenure.

## Details of Meetings of the Board held along with the dates are given at Table 2 below:

**Table 2: Meetings of the Board of Directors**

Sl. No.	Meeting No.	Date of Meeting	Intervening Gap
1.	278 <sup>th</sup>	05-04-2022	-
2.	279 <sup>th</sup>	24-05-2022	48
3.	280 <sup>th</sup>	03-08-2022	70
4.	281 <sup>st</sup>	19-09-2022	46
5.	282 <sup>nd</sup>	09-11-2022	50
6.	283 <sup>rd</sup>	20-01-2023	71
7.	284 <sup>th</sup>	08-02-2023	18

The intervening gap between the Meetings were within the prescribed limit.

### Disclosure of Relationships between Directors inter-se

As per declarations received from Directors, there is no inter-se relationship between Directors of the Company.

### Training of Board Members

The Board Members and Senior Management Personnel are nominated for various training programs from time to time. New Directors joining the Board are provided with documents about the Company which includes the Company's profile, Memorandum and Articles of Association, Brochure, previous Annual Reports, MoU Documents, DPE Guidelines on Corporate Governance, terms of reference of various

committees of the Board etc. The Company has a well-defined policy on training to the Board Members. The policy is available on weblink <https://www.kioclltd.in/table.php?id=282>.

### Familiarization Programme to Independent Directors

The Independent Directors of the Company are nominated for suitable training/programmes/seminars/plant visit from time to time. During the year under review, the familiarization program of Independent Directors was conducted at New Delhi by DPE in association with Capacity Building Commission and Indian Institute of Corporate Affairs (IICA) on Role and Responsibilities of Independent Directors, Effectiveness in Board Meetings, Board Dynamics, Understanding Finance for effective decision making, Role of various Board subcommittees, discussion on sector specific issues and understanding challenges and opportunities in sector. The details of the familiarization programmes imparted to Independent Directors is available on Company website at weblink <https://www.kioclltd.in/table.php?id=222&lang=EN>.

### Chart or Matrix setting out the Skills/ Expertise/ Competence of the Board of Directors

KIOCL being a Government Company under the control of its administrative Ministry viz. Ministry of Steel, the Board members are appointed / reappointed by the Administrative Ministry. The skills / expertise / competence as required in the context of business and areas pertaining to the company is identified by Govt. of India and accordingly selection of Directors on the Board is made by Govt. as per its own procedures and rules.

However, in compliance to Regulation 34 read with Part C(2)(h) of Schedule V of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 a chart or a matrix setting out the skills / expertise, competence of the Board of Directors is as under: -

Name of the Director	Designation	Existing Skills / expertise / competence
Shri T. Saminathan	Chairman-cum-Managing Director	Mining & Beneficiation
Shri S. K. Gorai (Upto 31-01-2023)	Director (Finance)	Finance & Project Appraisal
Shri Bhaskara Reddy (Upto 31-01-2023)	Director (Production & Projects)	Mining
Shri Binay Krushna Mahapatra (w.e.f. 30-08-2022)	Director (Commercial)	Commercial & Marketing
Shri Ganti Venkat Kiran (w.e.f. 09-05-2023)	Director (Production & Projects)	Pelletization
Shri Manoj Kumar Jhavar (w.e.f. 26-05-2023)	Director (Finance)	Financial Management, Engineering & Commercial
Smt. Sukriti Likhi	Govt. Nominee Director	Indian Administrative Service (IAS)
Dr. Sanjoy Roy (w.e.f. 03-05-2023)	Govt. Nominee Director	Indian Information Services (IIFoS)

Name of the Director	Designation	Existing Skills / expertise / competence
Shri Devidatta Satapathy (upto 03-05-2023)	Govt. Nominee Director	Indian Railway Service of Mechanical Engineers (IRSME)
Shri Changdev Sukhadev Kamble	Independent Director	Academic
Dr. Usha Narayan	Independent Director	Healthcare Services & Social Worker

### Resolution through Circulation

Circular Resolutions passed during the year under review, were in accordance with the provisions of Sub-Section 1 of Section 175 of the Companies Act, 2013 read with Rule 5 of the Companies (Meeting of Board and its Powers) Rules, 2014 and Rule 6 of the Secretarial Standard on Meeting of the Board of Directors. The same were placed before the subsequent Meetings of the Board and were recorded in the Minutes of the Board Meeting.

### Declaration of Independence

Independent Directors have given declaration under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as laid down under Section 149(6) of the said Act. Independent Directors of the Company have registered themselves with Independent Directors databank in compliance with Companies (Creation and Maintenance of database of Independent Directors) Rules, 2019 and Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019.

### Board Meetings and Procedure

Meetings of Board of Directors are governed by a structured Agenda item, supported with comprehensive notes, containing all the relevant information, to enable the Directors to have meaningful discussion at the Meeting and informed decision taking. All relevant information as specified in Regulation 17(7) read with Part A of Schedule II of SEBI (LODR) Regulations, 2015 and Annexure - IV of the Guidelines on Corporate Governance for CPSE's issued by DPE, was placed before the Board. The Agenda Notes are circulated to the Directors in advance of each meeting of the Board of Directors. Wherever it is not practical to send the relevant information as a part of the Agenda papers, the same is tabled during the Meeting. The presentation covering the Company's performance, operations and business strategy are also made to the Board. The Board also reviews periodically the compliance status of all the applicable laws. The members of the Board have unfettered and complete access to information in the Company. As a mandatory part of the procedure, the Company presents a comprehensive Action Taken Report (ATR) of the previous Meetings to the Board of Directors at the ensuing Meetings.

### Code of Conduct

In compliance with Regulation 26(3) of SEBI (LODR) Regulations 2015 and DPE guidelines, the Company has framed and adopted a Code of Conduct applicable to Board level and below Board level i.e., one grade below Board level up to Chief General Manager Cadre of the Company. The same is also available on the website of the Company. The Code of Conduct is incorporated with the duties of Independent Directors as laid down in the Companies Act, 2013 and aligned with Company's mission and objectives and aims at enhancing ethical and transparent process in managing the affairs of the Company. All the Members of Board and senior Managerial Personnel have affirmed compliance to the Code. A declaration to this effect, signed by the Chairman-cum-Managing Director forms part of this Report.

### Whistle Blower Mechanism

The Company has formulated and adopted a "Whistle-Blower Policy" to provide Employees including Directors an avenue to lodge complaints, in line with the commitment of Company to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication and to provide necessary safeguards for protection of Directors and Employees from reprisals or victimization, for whistleblowing in good faith. The "Whistle-Blower Policy" is available on Company Website at <https://www.kioclltd.in/table.php?id=279>.

### Prohibition of Insider Trading

A "Code of Practices & Procedures" for fair disclosure of unpublished price sensitive information and Conduct of Regulating, Monitoring & Reporting of Trading by Insiders of the Company "(Code)" in compliance with the Regulations 8 and 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 is in vogue in the Company and is available on Company website at <https://kioclltd.in/table.php?id=283>.

### Structured Digital Database

The Company is also maintaining the Structured Digital Database (SDD) as required under the SEBI (Prohibition of Insider Trading) Regulations, 2015. Further, in pursuance of Regulation 3(5) of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company is submitting to the Stock Exchanges on quarterly basis, the Compliance Certificate issued by M/s P.S. Bathla & Associates, Practicing Company Secretaries on Structured Digital Database maintained by the Company in the prescribed format.



## Trading Window Closure

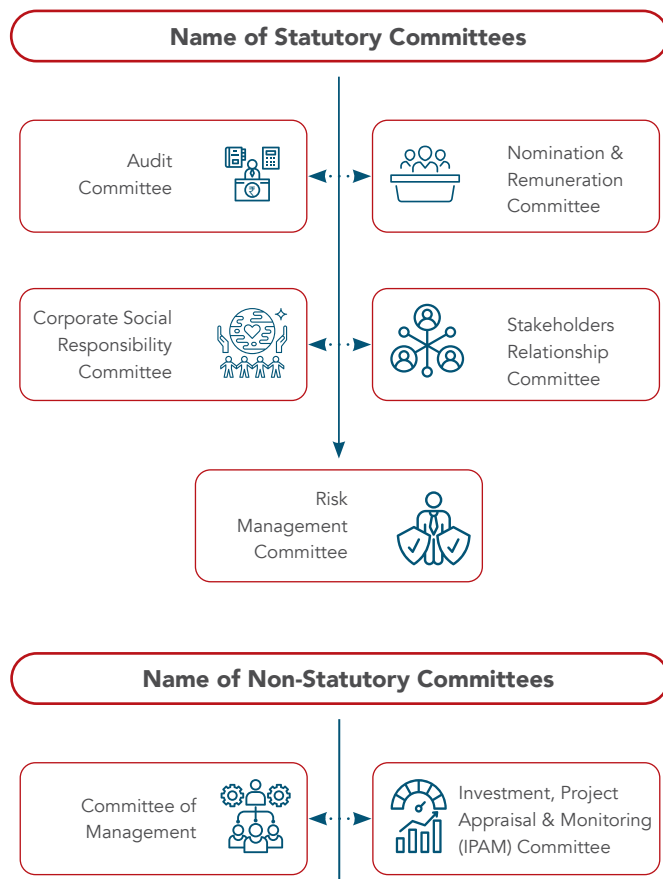
The trading window closure period for dealing in securities of the Company is informed to the stock exchanges and hosted on the website of the Company. The Trading Window generally remains closed for 'Insiders' of the Company from the end of each quarter till 48 hours after the financial results for the quarter are filed with stock exchanges and become generally available, unless otherwise informed by Company Secretary.

## Director Shareholding

Except, Shri K.V. Bhaskara Reddy who was holding 200 Equity shares of the Company and who ceased to be Director (Production & Projects) w.e.f. close of business hours of 31-01-2023 on the attaining the age of superannuation, as on March 31, 2023, none of the Directors are holding any shares in the Company.

## Committees of the Board

The Board constituted / reconstituted various Sub-Committees of Directors. These Committees monitor the activities falling within their terms of reference. There are seven Board Sub-Committees as on March 31, 2023, which comprises five statutory Committees and two other non-statutory Committees. Committee Meetings in FY 2022-23, were held through Video Conferencing / physical mode, details of which are as follows: -



## AUDIT COMMITTEE

### Brief Description of Terms of Reference

The Term of Reference (ToR) of the Audit Committee are in line with Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, Regulation 18 and Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE guidelines, issued from time to time, including any statutory modification(s) or re-enactment thereof, for the time being in force.

### Meetings and Attendance during the Year




The total number of meetings along with the date of meetings which were held during the financial year 2022-23 is given at Table 3.




**Table 3: Meeting of Audit Committee**

Sl. No.	Meeting No.	Date of Meeting	Intervening Gap
1.	115 <sup>th</sup>	24-05-2022	-
2.	116 <sup>th</sup>	03-08-2022	70
3.	117 <sup>th</sup>	15-09-2022	42
4.	118 <sup>th</sup>	09-11-2022	54
5.	119 <sup>th</sup>	16-01-2023	67
6.	120 <sup>th</sup>	08-02-2023	22
7.	121 <sup>st</sup>	27-03-2023	46

The Composition of the Committee as on March 31, 2023 and the attendance of the members at the Meetings are given at Table 4. Director (Finance) is a permanent Invitee to the Audit Committee Meetings. Company Secretary acts as a Secretary to the Committee.

**Table 4: Composition and Attendance of Audit Committee**

Name (S/Shri/Dr.)	Designation	Position	Attendance
<b>Changdev Sukhadev Kamble</b> (Chairman w.e.f. 21-10-2022 Member w.e.f. 12-11-2021)	Independent Director		7/7
<b>Usha Narayan</b> (Member w.e.f. 21-10-2022)	Independent Director		4/4
<b>T Saminathan*</b> (Member w.e.f. 01-02-2023)	Director (P&P) - Addl. Charge		2/2

Name (S/Shri/Dr.)	Designation	Position	Attendance
<b>Nirmalendu Mohapatra</b> (Chairman Upto 20-10-2022)	Independent Director		3/3
<b>G. Ramasamy</b> (Upto 21-11-2022)	Independent Director		4/4
<b>K.V. Bhaskara Reddy*</b> (Upto 31-01-2023)	Director (P&P)		5/5



Chairperson



Member

**Note:** The Board reconstituted the Audit Committee vide Circular Resolution dated 12-10-2022, which was passed unanimously by the Board on 18-10-2022 and made effective from 21-10-2022.

\*Shri T. Saminathan, Chairman-cum-Managing Director was holding the Additional Charge of Director (Production & Projects) w.e.f. 01-02-2023 till 09-05-2023. By virtue of holding the additional charge of Director (Production & Projects), Shri T. Saminathan become member in Audit Committee. Further, Shri Kuntham Venkata Bhaskara Reddy ceased to be a member of the Board of KIOCL w.e.f. 31-01-2023 due to superannuation. Accordingly, he ceased to be a member of the committee w.e.f. the date of his superannuation.

## Nomination & Remuneration Committee

### Brief Description of Terms of Reference

The Board has constituted a Nomination & Remuneration Committee, which is functioning w.e.f. May 16, 2014 with terms of reference in pursuance to Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 19 read with Part D of Schedule II of SEBI (LODR) Regulations, 2015 and DPE guidelines, issued from time to time, including any statutory modification(s) or re-enactment thereof, for the time being in force.

### Composition of the Committee

The Committee, consists of two Independent Directors and one Govt. Nominee Director. The Chairman of the Committee is an Independent Director. Company Secretary acts as a Secretary to the Committee.



### Meeting and attendance during the year

The total number of Meetings along with the date on which they were held during year are given at table 5 and the composition and attendance of the members is given at Table 6 respectively:

**Table 5: Nomination and remuneration Committee Meetings**

Sl. No.	Meeting No.	Date of Meeting	Intervening Gap
1	38 <sup>th</sup>	23-05-2022	-
2	39 <sup>th</sup>	01-08-2022	69
3	40 <sup>th</sup>	15-09-2022	44
4	41 <sup>st</sup>	20-10-2022	34
5	42 <sup>nd</sup>	27-03-2023	157

**Table 6: Composition and Attendance of Nomination & Remuneration Committee Meetings**

Name (S/Shri/Dr.)	Designation	Position	Attendance
<b>Changdev Sukhadev Kamble</b> (Member w.e.f. 12-11-2021) (Chairman w.e.f. 21-10-2022)	Independent Director		5/5
<b>Usha Narayan</b> (Member w.e.f. 21-10-2022)	Independent Director		1/1
<b>Devidatta Satapathy</b> (Member w.e.f. 21-10-2022)	Government Nominee		1/1
<b>Nirmalendu Mohapatra</b> (Chairman upto 20-10-2022)	Independent Director		4/4
<b>G. Ramasamy</b> (Member upto 21-11-2022)	Independent Director		4/4
<b>T. Saminathan*</b> (Member upto 20-10-2022)	CMD		4/4



Chairperson



Member

**Note:** The Board reconstituted the Nomination & Remuneration Committee vide Circular Resolution dated 12-10-2022, which was passed unanimously by the Board on 18-10-2022 and made effective from 21-10-2022.

## Corporate Social Responsibility Committee

In line with Section 135 read with Schedule VII of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 applicable w.e.f. 01-04-2014, the Company has constituted Corporate Social Responsibility (CSR) Committee. The role of the CSR Committee inter-alia includes formulation and recommendation of CSR Policy to the Board; Recommendation of CSR Expenditure; Monitoring & implementation of CSR Projects.







### Meeting and attendance during the year



The total number of Meetings along with the date on which they were held during the financial year 2022-23 is given at table 7 and the composition and attendance of the members is given at Table 8 respectively: -

**Table 7: Corporate Social Responsibility Committee Meetings**

Sl. No.	Meeting No.	Date of Meeting	Intervening Gap
1	27 <sup>th</sup>	25-07-2022	-
2	28 <sup>th</sup>	15-09-2022	51
3	29 <sup>th</sup>	16-01-2023	122
4	30 <sup>th</sup>	27-03-2023	69

**Table 8: Composition and Attendance of CSR Committee Meetings**

Name (S/Shri/Dr.)	Designation	Position	Attendance
<b>Usha Narayan</b>	Independent Director		4/4
<b>Changdev Sukhadev Kamble</b> (w.e.f. 21-10-2022)	Independent Director		2/2
<b>Binay Krishna Mahapatra*</b> (w.e.f. 01-02-2023)	Director (Finance)- Addl. Charge		1/1
<b>T. Saminathan*</b> (w.e.f. 01-02-2023)	Director (Production & Projects)- Addl. Charge		1/1
<b>Nirmalendu Mohapatra,</b> (upto 20-10-2022)	Independent Director		2/2
<b>G. Ramasamy</b> (upto 21-11-2022)	Independent Director		2/2

Name (S/Shri/Dr.)	Designation	Position	Attendance
<b>S.K. Gorai</b> (upto 31-01-2023)	Director (Finance)		3/3
<b>K.V. Bhaskara Reddy</b> (upto 31-01-2023)	Director (P&P)		3/3



**Chairperson**



**Member**

#### Note:

- The Board reconstituted the Corporate Social Responsibility Committee vide Circular Resolution dated 12-10-2022, which was passed unanimously by the Board on 18-10-2022 and made effective from 21-10-2022.
- Shri T. Saminathan, Chairman-cum-Managing Director was holding the Additional Charge of Director (Production & Projects) w.e.f. 01-02-2023 till 09-05-2023. By virtue of holding the additional charge of Director (Production & Projects), Shri T. Saminathan become member in CSR Committee. Further, Shri Kuncham Venkata Bhaskara Reddy ceased to be a member of the Board of KIOCL w.e.f. 31-01-2023 due to superannuation. Accordingly, he ceased to be a member of the committee w.e.f. the date of his superannuation.
- Shri Binay Krishna Mahapatra, Director (Commercial) was holding the Additional Charge of Director (Finance) w.e.f. 01-02-2023 till 26-05-2023. By virtue of holding the additional charge of Director (Finance), Shri Binay Krishna Mahapatra become member in CSR Committee. Further, Shri S.K. Gorai ceased to be a member of the Board of KIOCL w.e.f. 31-01-2023 due to superannuation. Accordingly, he has ceased to be a member of the committee w.e.f. the date of his superannuation.

## Stakeholders Relationship Committee

In pursuance to Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 20 read with Part D of Schedule II of SEBI (LODR) Regulations, 2015, a Stakeholders Relationship (SR) Committee has been constituted by the Board and has been functioning in the Company w.e.f. May 16, 2014. The role of SR Committee inter-alia includes the following:

1. Resolving the grievances of the security holders including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders.









## Meeting and attendance during the year

The total number of Meetings along with the date on which they were held during the financial year 2022-23 is given at table 9 and the composition and attendance of the members is given at Table 10 respectively: -

**Table 9: Stakeholders Relationship Committee Meetings**

Sl. No.	Meeting No.	Date of Meeting	Intervening Gap
1	5 <sup>th</sup>	16-01-2023	-

**Table 10: Composition and Attendance of Stakeholders Relationship Committee Meetings**

Name (S/Shri/Dr.)	Designation	Position	Attendance
<b>Usha Narayan</b> (Member w.e.f. 12-11-2021 & Chairperson w.e.f. 22-11-2022)	Independent Director		1/1
<b>Changdev Sukhadev Kamble</b> (w.e.f. 21-10-2022)	Independent Director		1/1
<b>T Saminathan*</b> (w.e.f. 01-02-2023)	CMD & Director (P & P)- Addl. Charge		N.A.
<b>Binay Krushna Mahapatra</b> (w.e.f. 21-10-2022)	Director (Commercial)		1/1
<b>G. Ramasamy</b> (Chairman upto 21-11-2022)	Independent Director		N.A.
<b>K.V. Bhaskara Reddy</b> (Upto 31-01-2023)	Director (P & P)		1/1



**Chairperson**



**Member**

**Note:** The Board reconstituted the Stakeholders Relationship Committee vide Circular Resolution dated 12-10-2022, which was passed unanimously by the Board on 18-10-2022 and made effective from 21-10-2022.

\* Shri T. Saminathan, Chairman-cum-Managing Director was holding the Additional Charge of Director (Production & Projects) w.e.f. 01-02-2023 till 09-05-2023. By virtue of holding the additional charge of Director (Production & Projects), Shri T. Saminathan become member in Stakeholders Relationship Committee. Further, Shri Kuncham Venkata Bhaskara Reddy ceased to be a member of the Board of KIOCL w.e.f. 31-01-2023 due to superannuation. Accordingly, he has ceased to be a member of the committee w.e.f. the date of his superannuation.

## Shareholders Grievances

Company Secretary is the Compliance Officer of the Company. There were no grievances from any of the shareholders during the year. Securities and Exchange Board of India (SEBI) has introduced an online compliant redressal system namely SEBI Complaint Redressal System (SCORES). During the year, no complaint was received through SCORES.

## Risk Management Committee

In pursuance to Regulation 21 of the SEBI (LODR) Regulations, 2015 read with the role and responsibilities specified in Part D of Schedule II of the regulation, a Risk Management Committee has been constituted by the Board and has been functioning in the Company w.e.f. March 26, 2019.

The role of Risk Management Committee is in line with Regulation 21 read with Part D of Schedule II of SEBI (LODR) Regulations, 2015.





## Meeting and attendance during the year




The total number of Meetings along with the date on which they were held during the financial year 2022-23 is given at table 11 and the composition and attendance of the members is given at Table 12 respectively:

**Table 11: Risk Management Committee Meetings**

Sl. No.	Meeting No.	Date of Meeting	Intervening Gap
1	6 <sup>th</sup>	25-07-2022	-
2	7 <sup>th</sup>	16-01-2023	174

**Table 12: Composition and Attendance of Risk Management Committee**

Name (S/Shri/Dr.)	Designation	Position	Attendance
<b>Usha Narayan</b> (Member w.e.f. 12-11-2021 & Chairperson w.e.f. 22-11-2022)	Independent Director		2/2
<b>Changdev Sukhadev Kamble</b>	Independent Director		2/2
<b>Binay Krushna Mahapatra</b> (w.e.f. 30-08-2022)	Director (Commercial)		1/1
<b>T. Saminathan</b> (upto 30-08-2022)	Director (Commercial) - Addl Charge		1/1

Name (S/Shri/Dr.)	Designation	Position	Attendance
<b>G. Ramasamy</b> (Chairman upto 21-11-2022)	Independent Director		1/1
<b>S. K. Gorai</b> (upto 31-01-2023)	Director (Finance)		2/2
<b>K.V. Bhaskara Reddy</b> (upto 31-01-2023)	Director (P & P)		2/2

	<b>Chairperson</b>		<b>Member</b>
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**Note:** The Board reconstituted the Stakeholders Relationship Committee vide Circular Resolution dated 12-10-2022, which was passed unanimously by the Board on 18-10-2022 and made effective from 21-10-2022.

\* Shri T. Saminathan was also holding the additional charge of Director (Commercial) till 30-08-2022. By virtue of holding the additional charge of Director (Commercial) Shri T. Saminathan become member of the Committee. Further, Shri B.K. Mahapatra was appointed as Director (Commercial) w.e.f. 30-08-2022 and become member of the Committee by virtue of holding the position of Director (Commercial).

Shri Vasudha Chandra S, Risk Officer, is Ex- Officio Invitee to the Committee.

### Investment, Project Appraisal & Monitoring (IPAM) Committee

To examine major proposals on investment and monitor the progress of the investments and advise suitability to the Board to take decision(s), an Investment, Project Appraisal & Monitoring (IPAM) Committee has been constituted by the Board w.e.f. May 16, 2014. The role of the Committee inter-alia includes the following:

- To examine all plan schemes/projects which requires approval of the Board with financial implication of ₹5 crores and more or such other limit as fixed by the Board from time to time.
- To make preliminary appraisal of the projects identified by the Company for investment and recommend for perusing with the project.
- To monitor the progress of all major projects and corrective measures to be suggested/ taken to achieve the milestone within approved time and cost.
- To examine and recommend to the Board for engagement of consultants for the purpose of preparation of feasibility report/DPR.
- To scrutinize the Feasibility Report/DPR prepared by the Consultants and recommend to the Board for investment.

### Meeting and attendance during the year








The total number of Meetings along with the date on which they were held during the financial year 2022-23 is given at

table 13 and the composition and attendance of the members is given at Table 14 respectively: -

### Table 13: Investment, Project Appraisal & Monitoring Meetings

Sl. No.	Meeting No.	Date of Meeting	Intervening Gap
No meeting was held during the FY 2022-23			

### Table 14: Composition of Investment, Project Appraisal & Monitoring Committee

Name (S/Shri/Dr.)	Designation	Position
<b>Changdev Sukhadev Kamble</b>	Independent Director	
<b>Usha Narayan</b>	Independent Director	
<b>T Saminathan*</b> (upto 30-08-2022) (w.e.f. 01-02-2023)	Director (Commercial) - Addl. Charge Director (Production and Projects) - Addl. Charge	
<b>B K Mahapatra*</b> (w.e.f. 30-08-2022)	Director (Commercial)	
<b>Nirmalendu Mohapatra</b> (Upto 20-10-2022)	Independent Director	
<b>K V Bhaskara Reddy</b> (Upto 31-01-2023)	Director (P & P)	
<b>S.K Gorai</b> (Upto 31-01-2023)	Director (Finance)	

	<b>Chairperson</b>		<b>Member</b>
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**Note:** The Board reconstituted the Investment, Project Appraisal & Monitoring Committee vide Circular Resolution dated 12-10-2022, which was passed unanimously by the Board on 18-10-2022 and made effective from 21-10-2022.

\* Shri T. Saminathan was also holding the additional charge of Director (Commercial) till 30-08-2022. By virtue of holding the additional charge of Director (Commercial) Shri T. Saminathan become member of the Committee. Further, Shri B.K. Mahapatra was appointed as Director (Commercial) w.e.f. 30-08-2022 and become member of the Committee by virtue of holding the position of Director (Commercial). Shri T. Saminathan was also holding the Addl. Charge of D (P&P) from 01-02-2023 to 09-05-2023. By virtue of holding the Addl. Charge of D (P&P), he became member of the Committee.

### Committee of Management (CoM)

The Board of Directors, at its 227<sup>th</sup> Meeting held on 01-05-2014, constituted Committee of Management ("CoM") comprising of Functional Directors headed by the Chairman-cum-Managing Director and entrusted powers for capital expenditure, procurement, sanction of sale of products dealt with by the Company etc for operational requirement subject to the in-principal approval of Board at certain instances.

## Meeting and attendance during the year

The Committee met 47 times during the financial year 2022-23 to consider and approve proposals as entrusted to it by the Board.

## Separate Meeting of Independent Directors

In pursuance to Regulation 25(3) of the SEBI (LODR) Regulations, 2015, the 9<sup>th</sup> Meeting of Independent Directors was held once during the year on 17-03-2023 at Pandharpur through Video Conference to discuss issues as defined in the Para VII of Schedule IV of Companies Act, 2013 and DPE Guidelines. The Meeting was attended by both the Independent Directors. In this Meeting, Independent Directors assessed the quality, quantity and timeliness of flow of information between the Company, management and the Board which was necessary for the Board to effectively and reasonably perform their duties.

Ministry of Corporate Affairs vide notification dated July 5, 2017 had exempted Government Companies from applicability of clause (a) and (b) of sub-paragraph (3) of paragraph VII of Schedule IV of the Companies Act, 2013 which requires that the Independent Directors in their separate Meeting shall review the performance of Non-Independent Directors, performance of the Board as a whole, performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.

## Performance Evaluation Criteria for Independent Directors

Govt. of India, Ministry of Corporate Affairs vide notification dated June 5, 2015 exempted Govt. Companies from the applicability of Section 134(3)(p) of the Companies Act, 2013, which deals with Board's Report to include statement giving manner of annual evaluation by the Board of its performance, and that of its committees and Individual Directors.

## Performance Evaluation of the Board Members

Ministry of Corporate Affairs (MCA) vide General Circular dated June 5, 2015 has exempted Government Companies from the provisions of Section 178 (2) which provides about manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance. The aforesaid circular of MCA further exempted listed Govt. Companies from provisions of Section 134 (3) (p) which requires mentioning the manner of formal evaluation of its own performance by the Board and that of its Committees and Individual Director in Board's Report, if Directors are evaluated by the Ministry or Department of the Central Government which is administratively in charge of the

Company, or, as the case maybe, the State Government as per its own evaluation methodology. In this regard, Department of Public Enterprise (DPE) has already laid down a mechanism for performance appraisal of all Functional Directors. DPE has also initiated evaluation of Independent Directors.

It may also be noted that KIOCL enters into Memorandum of Understanding (MoU) with Government of India each year, containing key performance parameters for the Company. The MoU targets are cascaded down and form an integral part of the performance appraisal of the individuals. The performance of the Company is being evaluated by the Department of Public Enterprise vis-à-vis MoU entered into with the Government of India. Hence, no separate policy was framed by the Board to evaluate the performance of Board members.

The appointment / remuneration and other matters in respect of other KMPs and Senior Management are governed by the Company's Recruitment and Promotion Rules and other related manuals as approved / amended by the Board of the Company from time to time. Hence, the Board has adopted the appointment / remuneration etc. of KMPs and Senior Management Personnel as per the Company's Recruitment and Promotion Rules and other related manuals.

## Remuneration to Directors and KMP

### Whole-time Directors

Being a CPSE, the appointment, tenure and remuneration of Directors are decided by Government of India. The Government order indicate the detailed terms and conditions of the appointment of Directors, including the period of appointment.

### Non-official Part Time Govt. Nominee Directors

Non-official Part Time Government Nominee Directors are neither paid any remuneration nor paid sitting fees for attending Board Meetings. Further, during the year none of the Govt. Nominee Directors had any pecuniary relationship or transactions with the Company.

### Independent Directors

Independent Directors were paid sitting fee of ₹ 20,000/- per Meeting of the Board and ₹ 18,000/- per Meeting of the Committee of the Board attended which was within the overall limit prescribed under the Companies Act, 2013 read with Rule 4 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2015 and Regulations 17(6) of the SEBI (LODR) Regulations, 2015. There was no payment of commission nor any stock option scheme was offered during the year.



**Table 15: Remuneration / Sitting Fees paid to Directors and KMP:**

(₹ in lakhs)						
Director / KMP (S/Shri/Dr.)	Designation	Salary [u/s 17(1)]	Perquisites [u/s 17(2)]	Sitting fees	Total	
T Saminathan	CMD	61.66	9.50		71.16	
S K Gorai <sup>1</sup>	Director (Finance)	97.27	9.47		106.74	
KV Bhaskara Reddy <sup>2</sup>	Director (P&P)	96.22	9.39	Not Applicable	105.61	
Binay Krushna Mahapatra <sup>3</sup>	Director (Commercial)	25.24	3.66		28.90	
Pushp Kant Mishra	Company Secretary	25.04	0.29		25.33	
N Mohapatra <sup>4</sup>	Independent Director				2.42	2.42
G Ramasamy <sup>5</sup>	Independent Director				2.98	2.98
Changdev S. Kamble	Independent Director	Not Applicable		4.46	4.46	
Usha Narayan	Independent Director			3.56	3.56	

1. Shri S K Gorai ceased to be a Director (Finance) w.e.f. the close of Business hours of 31-01-2023.
2. Shri K V Bhaskara Reddy ceased to be a Director (Production & Projects) w.e.f. the close of Business hours of 31-01-2023.
3. Shri Binay Krushna Mahapatra was appointed as Director (Commercial) w.e.f. 30-08-2022.
4. Shri N Mohapatra ceased to be an Independent Director w.e.f. the close of Business hours of 20-10-2022.
5. Shri G Ramasamy ceased to be an Independent Director w.e.f. the close of Business hours of 21-11-2022.

### Adequacy of Internal Financial Controls w.r.t the Financial Statements

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit (IA) function is well defined. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee. Based on the report of Internal Audit, different departments of the Company undertake corrective actions in their respective areas and thereby strengthening the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Company.

### Significant and Material Orders

During the year under review, no significant and material orders passed by the Regulators or Courts or Tribunals that impact the going concern status and Company's operations in future.

### Reporting of frauds by Auditors

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

### CEO and CFO Certification

In terms of Regulation 17(8) of Listing Regulations, the Compliance certificate issued by the CEO and CFO on the financial statements and internal controls relating to financial reporting for the year 2022-23 was placed before the Board at its 286<sup>th</sup> Meeting held on 30-05-2023. The CEO and CFO certification is appended as an Annexure to this Report.

### Review of Compliance of Laws

In terms of Regulation 17(3) of the Listing Regulations, Para 3.3.3 of the DPE Guidelines and applicable provisions of the Companies Act, 2013, the Board reviewed the Compliance reports relating to various laws applicable during the Year.

### Disclosure regarding appointment of Directors

The Company has provided brief resume(s) of the Directors seeking appointment at the ensuing Annual General Meeting, in the Notice attached with this Report.

### Reconciliation of Share Capital Audit

As required by the Securities and Exchange Board of India (SEBI), quarterly audit of the Company's Share Capital is being carried out by an Independent External Auditor with a view to reconcile total Share Capital admitted with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and held in physical form with the issued and listed capital. The certificate is regularly submitted to the Stock Exchange(s).

### General Body Meetings

#### Locations and Time of last three AGMs & details of special resolution passed:

Date	AGM	Location	Time	Special Resolution Passed
17-09-2022	46 <sup>th</sup>	KIOCL Limited, II Block	12:00 Noon	No Special resolution was Passed
15-09-2021	45 <sup>th</sup>	Koramangala through VC / OAVM		Approval to deliver document through a particular mode as may be sought by the member
29-09-2020	44 <sup>th</sup>			

View of 46<sup>th</sup> Annual General Meeting

The 46<sup>th</sup> AGM was conducted in compliance with Secretarial Standard on General Meeting (SS-2) issued by The Institute of Company Secretaries of India (ICSI).

### Details of Special Resolution proposed to be conducted

No Special Resolution is proposed to be passed during the 47<sup>th</sup> AGM.

### Extraordinary General Meeting

During the year under review, no Extraordinary General Meeting was held.

### Means of Communication

Quarterly results have been published in prominent daily newspapers as per the requirement on the following dates:

Quarter Ending-	30-06-2022	30-09-2022	31-12-2022	31-03-2023
Published on -	05-08-2022	11-11-2022	09-02-2023	01-06-2023
English -	Business Line and Business Standard	Financial Express and Business Standard	Financial Express	Business Line
Kannada -	Prajavani	Prajavani	Prajavani	Prajavani

The Quarterly/Annual results are also made available at the website of the Company <https://www.kioclltd.in/table.php?id=267>.

The notices w.r.t. the Annual General Meeting were published in widely circulated National Newspapers.

### Dividend Payment Date

(a) Dividends were paid within 30 days of declaration as per the provisions of the Companies Act, 2013.

(b) In the absence of Distributable Profits, the Board has not recommended any Dividend for the Financial Year 2022-23.

### Distribution of Shareholding as on March 31, 2023

No. of shares held	No. of holders	% To holders	No. of Shares	% To equity
1	1,586	8.29	1,586	0.00
2-10	3,894	20.35	23,653	0.00
11-50	5,450	28.49	1,70,428	0.03
51-100	3,162	16.53	2,78,914	0.05



No. of shares held	No. of holders	% To holders	No. of Shares	% To equity
101-200	2,058	10.76	3,39,588	0.06
201-500	1,662	8.69	5,81,682	0.10
501-1000	646	3.38	5,04,396	0.08
1001-5000	566	2.96	12,21,933	0.20
5001-10000	63	0.33	4,36,750	0.07
10001 and above	44	0.23	60,41,92,166	99.41
<b>Total</b>	<b>19,131</b>	<b>100.00</b>	<b>60,77,51,096</b>	<b>100.00</b>

## General Shareholders Information

### Annual General Meeting for the Financial Year 2022-23

**Day and Date** Friday, September 22, 2023

**Time** 12:00 Noon

**Venue** The Company is conducting the AGM through Video Conference / Other Audio-Visual Means (VC/OAVM) pursuant to the MCA Circular dated May 5, 2020, January 13, 2021, May 5, 2022 & December 28, 2022. For details, please refer to the Notice of this AGM.

### Financial Year

The Company's Financial Year is from April 1 to March 31.

### Company's Equity Shares are listed on the following stock exchanges

Sl. No.	Stock Exchange	Security Code / Symbol
1.	NSE	KIOCL
2.	BSE	540680 / KIOCL
3.	MSEI	KIOCL

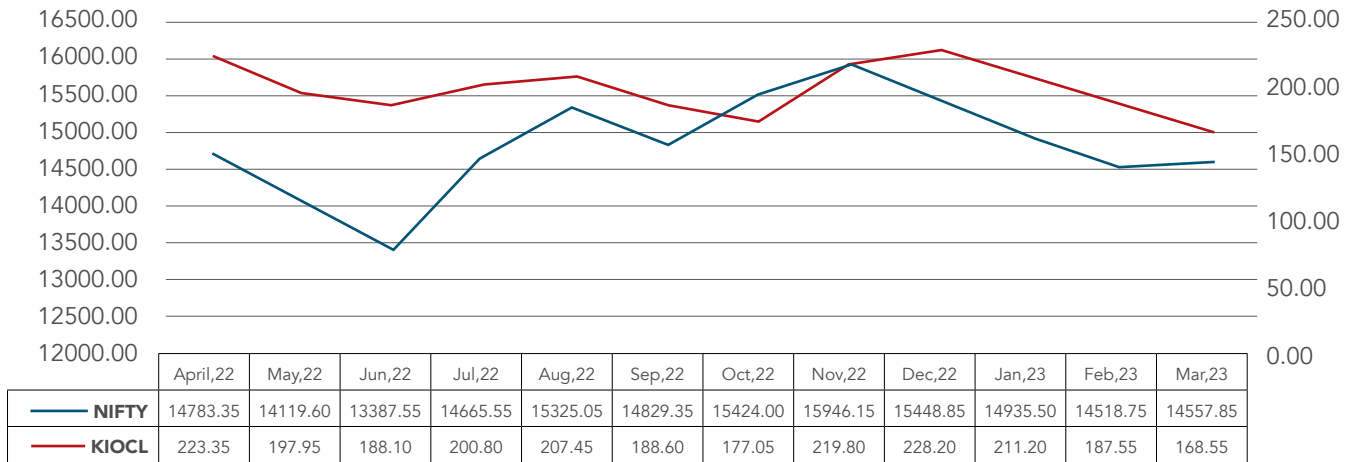
Listing fees to Stock Exchanges and Custodial Fees to Depositories has been paid for the FY 2023-24.

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

Month	NSE				BSE			
	High	Low	Closing	Volume	High	Low	Closing	Volume
April, 2022	240.00	208.95	223.35	18,49,335	239.50	199.30	223.45	1,71,468
May, 2022	262.50	190.00	197.95	26,99,083	247.35	189.95	198.15	2,21,499
June, 2022	202.15	166.65	188.10	21,48,911	202.50	166.65	187.10	3,33,677
July, 2022	226.65	188.00	200.80	17,70,515	206.90	187.30	201.25	1,75,441
Aug, 2022	211.75	189.00	207.45	11,19,445	210.15	186.45	206.60	1,21,923
Sept, 2022	223.25	182.20	188.60	12,16,535	222.75	182.10	188.70	75,098
Oct, 2022	194.65	175.95	177.05	3,29,277	194.05	174.85	177.10	28,988
Nov, 2022	236.70	172.05	219.80	31,08,687	236.50	172.25	219.35	2,47,089
Dec, 2022	232.90	183.00	228.20	22,99,628	232.70	183.95	227.65	1,84,373
Jan, 2023	233.90	198.90	211.20	23,38,436	233.30	198.60	211.05	1,54,137
Feb, 2023	217.05	186.70	187.55	8,11,727	216.55	186.55	187.80	57,149
Mar, 2023	202.75	166.00	168.55	7,12,946	202.25	165.20	168.60	58,664

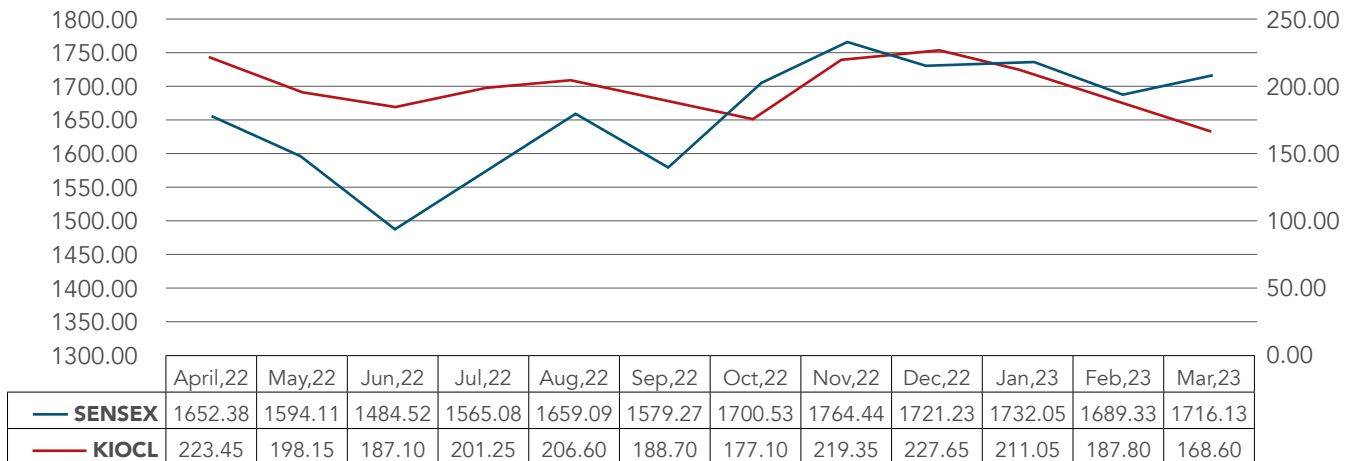
### KIOCL SHARE PRICE COMPARED TO NSE NIFTY 500 (In ₹)

#### SHARE PRICE COMPARISON



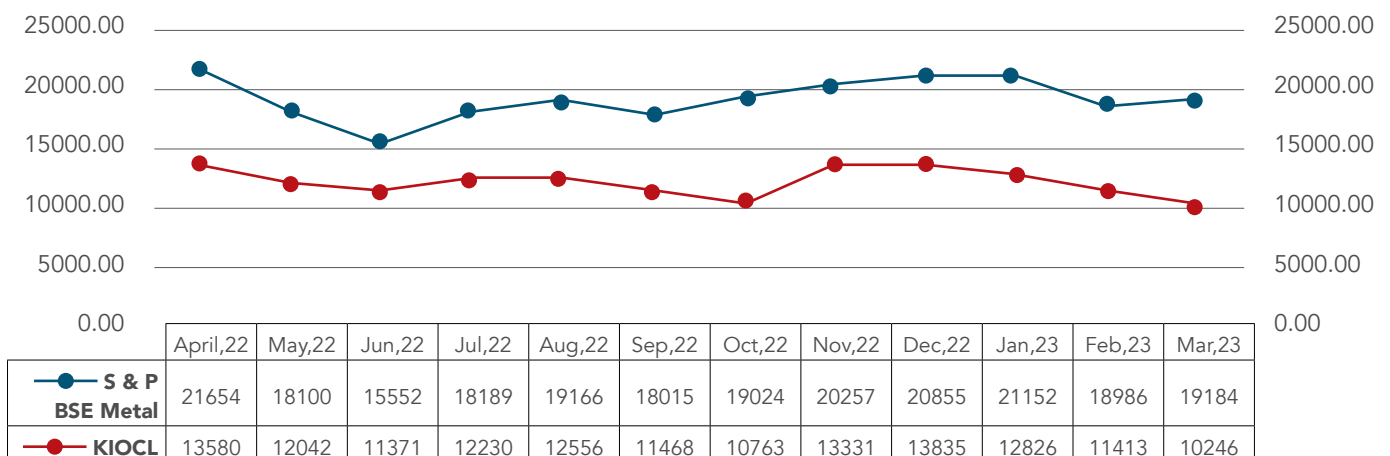
### KIOCL SHARE PRICE COMPARED TO BSE CPSE SENSEX (In ₹)

#### SHARE PRICE COMPARISON



### MARKET CAPITALISATION – S&P BSE METAL & KIOCL

#### Market Capitalisation (₹ in Crores)





## Registrars and Transfer Agents

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

## Shareholding Pattern as on March 31, 2023

Category	No. of Shares	Demat	Physical	Holding %
Central Govt.	60,18,77,627	60,18,77,627	0	99.03
Mutual Funds/ UTI	43	43	0	0.00
Financial Institutions/ Banks	0	0	0	0.00
Foreign Portfolio Investors	2,086	2,086	0	0.00
Insurance Companies	7,93,685	7,93,685	0	0.13
Bodies Corporate	7,70,357	7,70,057	300	0.13
Resident Indians & others	43,07,298	42,67,762	39,536	0.71
<b>Total</b>	<b>60,77,51,096</b>	<b>60,77,11,260</b>	<b>39,836</b>	<b>100.00</b>

## Top ten equity shareholders (Other Than Promoters) as on March 31, 2023:

Name of Shareholder	Shareholding at the end of the year	
	No. of Shares	% of total shares
1 The New India Assurance Company Limited	7,30,300	0.12
2 Dharampal Satyapal Ltd	4,50,000	0.07
3 Lalitha Mahalingam	1,24,369	0.02
4 Kunal Ahuja	1,01,000	0.02
5 The Oriental Insurance Company Limited	63,385	0.01
6 MSPL Limited	59,858	0.01
7 Ramgad Minerals and Mining Limited	50,130	0.01
8 Prashant Tandon	47,911	0.01
9 Ravada Sangeetha	41,601	0.01
10 Sanjeev Chandru Chandiramani	40,000	0.01

\* With Pan Number Grouping

## Dematerialization of Shares and Liquidity

The Shares of the Company continue to be an eligible security in dematerialized form by CDSL and NSDL with ISIN

No. INE880L01014. As on March 31, 2023, 99.99% of the Company's total paid up capital representing 60,77,11,260 shares were in dematerialized form and balance 39,836 shares were in physical form. To eliminate various risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

## Dematerialization of Shares and Liquidity (as on 31-03-2023)

Category	No. of Shareholders	Demat	Physical
CDSL	12,889	22,11,765	0.36
NSDL	5,966	60,54,99,495	99.63
Physical	276	39,836	0.01
<b>Total</b>	<b>19,131</b>	<b>60,77,51,096</b>	<b>100.00</b>

\* Folio numbers having same PAN are not clubbed.

## Share transfer /transmission system

SEBI vide circular dated 28-03-2018 has done away with the transfer of securities in physical form w.e.f. 01-04-2019. Accordingly, shareholders, who continue to hold shares of the Company in physical form will not be able to lodge the shares with Company / RTA for further transfer. Therefore, members holding shares in physical form are requested to dematerialize their holdings at the earliest.

## Common and Simplified Norms for Processing Investor's service requests

SEBI vide its circular no. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated 03-11-2021, circular no. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated 14-12-2021 and circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16-03-2023, had issued 'Common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination'. The details of said circulars and respective forms for entertaining such requests are hosted at Company's website at <https://kioclltd.in/data.php?id=68&lang=EN>.

## Issuance of Securities in dematerialized form in case of Investor Service Requests

SEBI vide its notification no. SEBI/LAD-NRO/GN/2022/66 dated 24-01-2022 and further its circular no. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25-01-2022 had notified with immediate effect that in case of investor's requests with respect to Issue of duplicate securities certificate; Claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement; Sub-division/Splitting of securities certificate; Consolidation of securities certificate/ folios; Transmission; Transposition, the Company shall issue the securities in dematerialized form only. The respective form

ISR-4 to be submitted by the shareholder for entertaining such requests is hosted at the website of the Company at link <https://kioclltd.in/data.php?id=68&lang=EN>.

### **Outstanding GDRs/ADRs/Warrants**

There are no outstanding GDRs/ADRs/Warrants or any convertible instruments.

### **Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:**

Not Applicable, since the Company had no exposure to commodities.

### **Plant Locations**

Pellet Plant Unit and Blast Furnace Unit of the Company are located at Mangaluru in Dakshina Kannada District of Karnataka.

### **Address for Investor Correspondence**

In order to facilitate quick redressal of grievance/queries, the investors and shareholders may contact the Company Secretary at below mentioned address:

Company Secretary  
KIOCL Limited,  
II Block, Koramangala,  
Bengaluru - 560034  
Tele/fax: 080-25531525  
E-mail: [cs@kioclltd.in](mailto:cs@kioclltd.in)

### **NEAPS, BSE Corporate Compliance & mylisting Centre:**

All periodical compliance filings, inter alia, shareholding pattern, corporate governance report, corporate announcements, amongst others, are filed electronically in accordance with the Listing Regulations with Stock Exchanges. Further, in compliance with the provisions of the Listing Regulations, all the disclosures made to the Stock Exchanges are in a format that allows users to find relevant information easily through a searching tool.

### **Investor Education & Protection Fund (IEPF)**

Pursuant to the applicable provisions of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed

dividends are required to be transferred by the Company to the IEPF, after completion of seven years. Further, according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the Demat account of the IEPF Authority. Accordingly, the Company has transferred the unclaimed and unpaid Dividends amount up to the Financial Year 2014-15 (Final) and the corresponding shares to the IEPF Authority. The details of shares transferred to the IEPF Authority along with the list of unclaimed / unpaid Dividend is available on Company website at <https://kioclltd.in/data.php?id=117&lang=EN>. Shareholders are advised to visit the website and claim the unclaimed dividend, if any.

### **Change in process of claiming shares and dividend from IEPF**

IEPF Authority vide its Office Memorandum dated July 20, 2022 has revised the process of claiming the shares and dividends from IEPF Authority, whereby the claimant(s) are now advised to first approach the Company for entitlement letter along with all the required documents before filing of claim application with the IEPF Authority. Once the Company has received and verified all the requisite documents it will then issue an entitlement letter along with all the required details to file web form IEPF-5 within a period of 30 days. The claimant(s) shall thereafter file web form IEPF-5 with the IEPF Authority along with entitlement letter and other supporting documents. The claimant(s) shall then submit the self-attested copy of form IEPF-5, its acknowledgment and duly executed Indemnity Bond in an envelope marked as "Claim for refund from IEPF Authority" at the registered office address of the Company in the name of the "Nodal Officer of the Company", to enable the Company to file the e-verification report of the claim within the prescribed timeline of 30 days. This process will reduce the instance of claim applications being rejected by the Company/IEPF Authority on account of incomplete and/or non-receipt of required documents.

### **Unclaimed Dividend**

Section 124 of the Companies Act, 2013, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016, mandates that companies transfer dividend that has remained unclaimed for a period of seven years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). The Rules mandate that the shares on which dividend has not been paid or claimed for seven consecutive years or more are to be transferred to the IEPF.

The following table provides a list of years for which unclaimed dividends as on 31-03-2023 and their corresponding shares would become eligible to be transferred to the IEPF on the dates mentioned as:

Dividend for the year	Type of Dividend	Account No.	Dividend per Share (₹)	Date of Declaration	Due date for transfer to IEPF	Unclaimed amount (in ₹)
2016-17	Interim	0693103000000125	0.11	24-01-2017	01-03-2024	4,751.12
2016-17	Final	0693103000000134	0.26	31-08-2017	06-10-2024	12,880.14
2017-18	Interim	0693103000000143	0.27	19-03-2018	24-04-2025	15,117.57
2017-18	Final	201002713091	0.79	31-08-2018	06-10-2025	41,792.58
2018-19	Final	201003694672	1.33	03-09-2019	09-10-2026	56,997.15
2019-20	Final	201004395400	0.70	29-09-2020	04-11-2027	29,376.90
2020-21	Final	201013506064	1.64	15-09-2021	21-10-2028	66,440.24
2021-22	Interim	201014873699	0.98	12-11-2021	18-12-2028	33,809.18
2021-22	Final	201018711537	0.79	17-09-2022	23-10-2029	24,623.67

The Company sends periodic intimation and gives notices in newspapers to the Shareholders concerned, advising them to lodge their claims with respect to unclaimed dividend. Shareholders may note that both the unclaimed dividend and corresponding shares transferred to IEPF can be claimed back from IEPF by making application to the authority by filing Form IEPF-5 online available on website [www.iepf.gov.in](http://www.iepf.gov.in). The detail procedure to claim refund is available on link <https://www.iepf.gov.in/IEPF/corporates.html>.

#### Dividend remitted to IEPF during last three years

Year	Type of Dividend	Dividend declared on	Date of transfer to IEPF	Amount transferred to IEPF (₹)
2014-15	Final	07-09-2015	13-10-2022	4,526.00
2013-14	Final	06-09-2014	13-10-2021	5,229.12
2012-13	Final	30-08-2013	13-10-2020	35,191.00

#### Shares Transferred to IEPF

During the year, the Company transferred 800 shares on 02-11-2022 to IEPF Authority. The shares transferred were on account of dividends unclaimed for seven consecutive years since 2014-15.

#### Nodal Officer to Co-ordinate with IEPF Authority

Shri Pushp Kant Mishra, Company Secretary has been designated as Nodal Officer of the Company for the purpose of coordination with IEPF Authority. Contact details of Nodal officer are as follows: Email Id: - [cs@kioclld.in](mailto:cs@kioclld.in), Tele/fax: -080-25531525.

#### Participation and voting at 47<sup>th</sup> AGM

Pursuant to the MCA general circular dated December 28, 2022 read with SEBI Circular dated January 5, 2023, the 47<sup>th</sup> AGM of the Company will be held through video-conferencing and other audio-visual means, the detailed instructions for

participation and voting at the Meeting is available in the notice of the 47<sup>th</sup> AGM.

#### Resolution passed through Postal Ballot

During the year ended March 31, 2023, three resolution(s) were passed by way of postal ballot out of which two resolutions were special resolutions. The Details of Resolutions passed by way of postal ballot are as given hereunder: -

Sl. No.	Resolutions	Type of Resolution	Whether passed or not
1.	Appointment of Shri Changdev Sukhadev Kamble (DIN: 09351638) as an Independent Director	Special Resolution	Passed with requisite majority
2.	Appointment of Dr. Usha Narayan (DIN: 09351511) as an Independent Director	Special Resolution	Passed with requisite majority
3.	Appointment of Shri. Devidatta Satapathy (DIN: 09591943) as a Govt. Nominee Director	Ordinary Resolution	Passed with requisite majority

The Company had engaged the services of Central Depository Services (India) Limited (CDSL) for providing remote e-voting facility to the Members for Postal Ballot Process. Further, Shri S.N. Mishra, Practicing Company Secretary, was appointed as a Scrutinizer. The Postal Ballot period for casting the votes through remote e-voting had commenced on Friday, June 24, 2022 (9:00 AM) and ended on Saturday, July 23, 2022 (5:00 PM). Shri S.N. Mishra, Practicing Company Secretary, who was appointed as a Scrutinizer had submitted the report on Tuesday, July 26, 2022. The Results of Postal Ballot were also declared on Tuesday, July 26, 2022.

## Shareholders Voting

Shareholders are requested to cast their votes on the resolutions mentioned in Notice of the 47<sup>th</sup> Annual General Meeting of the Company by using any of the following options:

- **Voting in advance of the Meeting and during the Meeting-**

Remote e-voting & during the meeting at <https://www.evotingindia.com/>. The Company has engaged CDSL to provide e-voting facility to all the members whose names appear on the register of members as on 15-09-2023.

- **Voting through proxy**

Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

- **Vote in person at the Meeting**

Please refer to the Notes section in the Notice for details on admission requirements to attend the Annual General Meeting. The MCA vide general circular dated December 28, 2022 read with SEBI Circular dated January 5, 2023 have mandated the Listed entities to hold the AGM through Video Conference or any other Audio-Visual means and to provide the remote e-voting facility before the AGM and e-voting facility during the AGM. In view of the aforesaid circulars there will be no voting in person at the Meeting and no physical presence will be required at the AGM.

## Financial Calendar for 2023-24 (Tentative)

1 <sup>st</sup> Quarter ending June 30, 2023	on or before 14-08-2023
2 <sup>nd</sup> Quarter ending September 30, 2023	on or before 14-11-2023
3 <sup>rd</sup> Quarter ending December 31, 2023	on or before 14-02-2024
4 <sup>th</sup> Quarter ending March 31, 2024	on or before 30-05-2024
AGM for the year 2023-24	on or before 30-09-2024

These dates are tentative and subject to change and the last date for submission of the unaudited quarterly and year to date financial results to the Stock Exchange is within forty-

five days from end of each quarter (except the last quarter). The last date for submission of the financial results of the last quarter and year ended is within sixty days from the end of the financial year.

## Book Closure

The Register of Members and Share Transfer Books of the Company shall remain closed from 16-09-2023 to 22-09-2023 (both days inclusive).

## Compliance Certificate

As required under Regulation 34(3) and Para E of the Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the certificate from a Practising Company Secretary pertaining to compliance of conditions of Corporate Governance is annexed with the Directors' Report. The quarterly report on compliance with the Corporate Governance requirements prescribed by DPE is also sent to Administrative Ministry regularly.

## Registered Office

KIOCL Limited  
II Block, Koramangala,  
Bengaluru – 560034, Karnataka  
Phone: 080-25531461-466

## Credit Ratings

The Credit Ratings obtained during the FY 2022-23 along with the name of Credit Rating Agency are as given hereunder: -

<b>M/s ICRA Ltd.</b> Dated 09-06-2022 Long-term rating at [ICRA] AA-(Negative) (Pronounced ICRA double A minus) and short-term rating at [ICRA] A1+ (Pronounced ICRA A1+)	<b>M/s Brickwork Ratings India Pvt. Ltd.</b> Dated 19-08-2022 Long-term rating at [BWR] AA- (Negative Pronounced BWR double A minus) and short-term rating at [BWR] A1+ (Pronounced BWR A1+)
	Dated 18-11-2022 Long Term Loan BWR A+/ Negative Long term rating BWR A+/ Downgrade. Non-Fund Based BWR A1+



## Other Disclosures

Besides the mandatory requirements as mentioned above, the other disclosures as specified in Schedule V(C)(10) of SEBI (LODR) Regulations, 2015 is reproduced below:

Particulars	Details
A. Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large	No transactions were entered into with Related Parties as defined under the Act and Para A of Schedule V of the Listing Regulations, during the Year which attract the provisions of Section 188 of the Act, as such annexure AOC-2 is not furnished.
B. Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years	<p>Stock Exchange(s) imposed penalty for non-compliance of Regulation 17(1) of Listing Regulations with regard to composition of the Board for the period from April, 2022 to March, 2023.</p> <p>Issue is regularly placed before the Board, which noted the same and advised to refer to Ministry of Steel, Government of India for filling the vacant post of Independent Directors and seek waiver from Stock Exchange(s) from payment of penalty levied, since the appointment of Directors on the Board of KIOCL is done by the Government of India.</p> <p>Accordingly, the Company is continuously taking up with Ministry of Steel for filling the vacant post of Independent Directors.</p>
C. Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel have been denied access to the audit committee	Whistle Blower Policy duly approved by the Board is hosted on Company website and no personnel have been denied access to the Audit Committee.
D. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements	Complied
E. Web link where policy for determining 'material' subsidiaries is disclosed	Not Applicable
F. Web link where policy on dealing with related party transactions is disclosed	<a href="https://kioclltd.in/table.php?id=280&amp;lang=EN">https://kioclltd.in/table.php?id=280&amp;lang=EN</a>
G. Disclosure of commodity price risks and commodity hedging activities.	Not Applicable
H. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).	Not Applicable
I. A certificate from a Company Secretary in Practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority.	Certificate from a Company Secretary in Practice is annexed to the Board's Report.
J. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same shall be disclosed, along with reasons thereof: Provided that the clause shall only apply where recommendation of / submission by the committee is required for the approval of the Board of Directors and shall not apply where prior approval of the relevant committee is required for undertaking any transaction under these Regulations.	Not Applicable
K. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.	Total fees paid for all services to the statutory auditors during the FY 2022-23 amounts to ₹12.15 Lakhs including reimbursement, audit, taxation and other services fees.

Particulars	Details
L. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013	Disclosures forms part of the Board's Report.
M. Disclosure of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount	Not Applicable. Further, disclosures forms part of the Financial Statements.
N. Details of material subsidiaries of the Company	Not Applicable.

## Non-Compliance

In pursuance to Schedule V of the SEBI (LODR) Regulations 2015, we report non-compliance to Regulation 17(1) of SEBI (LODR) Regulations, 2015 for the year from April, 2022 till March, 2023.

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

### A. The Board

A non-executive chairperson may be entitled to maintain a Chairperson's Office at the listed entity's expense and is also allowed reimbursement of expenses incurred in performance of his duties. Company is having an Executive Chairman.

### B. Shareholder Rights

A half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders. Results are placed on the Company's website and published in leading newspapers. Significant events are placed on the Company's website and also intimated to the stock exchanges for the information of public at large.

### C. Modified opinion(s) in Audit Report

The listed entity may move towards a regime of financial statements with unmodified audit opinion. Statutory Auditors have given unmodified opinion on the financial results for the period ended on March 31, 2023 and a declaration to that effect to the Stock Exchange(s) was given while publishing the Annual Audited Financial Results on the website of the Company as per regulation 33(3)(d) of the SEBI (LODR) Regulations, 2015.

### D. Separate Posts of Chairperson and Managing Director & CEO

The listed entity may appoint separate persons to the post of the Chairperson and the Managing Director or the Chief Executive Officer, such that the Chairperson shall – Ministry of Steel has appointed Chairman-cum-Managing Director and Chief Executive Officer. Further, there is no separate post of Chairperson and Managing Director or Chief Executive Officer.

(a) be a non-executive director; and

(b) not be related to the Managing Director or the Chief Executive Officer as per the definition of the term "relative" defined under the Companies Act, 2013.

### E. Reporting of Internal Auditor

The Internal Auditor may report directly to the Audit Committee. Internal Auditor reports to the Audit Committee.

## COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

Except those Non-Compliances as observed in the Corporate Governance certificate and in Secretarial Audit Report, the Company has complied with Corporate Governance Requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulations 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

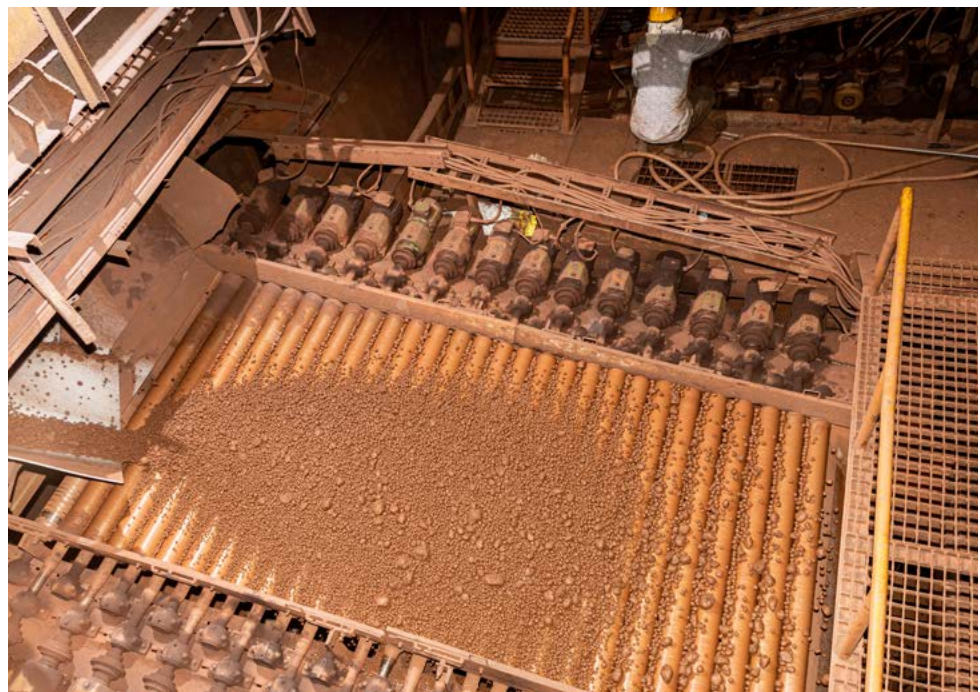
# Management Discussion and Analysis Report



## BUSINESS OVERVIEW

India, is the world's second largest producer of crude steel with the production of about 124.7 million tons crude steel in 2022, while finished steel production stood at 117.80 million tons.

In Calendar year 2023, crude steel production is expected to touch nearly 134 million tons and finished production to reach around 127-128 million tons. In 2022, India's domestic finished steel consumption stood around 110 million tons, which was about 2 million tons less than what was envisaged.





However, in calendar year 2023, we expect robust domestic demand growth, of around 7%. Currently in 2022, crude steel capacity in India stood around 154 million tons per annum. The Indian steel sector roughly contributes around 2% to India's GDP.

The government aims to double the country's annual crude steel making capacity to 300 million tons from 150 million tons at present. World's crude steel production decreased by about 4.20% to 1,878.5 million tons in 2022 from 1960.4 million tons in 2021. As per World Steel Association report, in 2023, steel demand will see further growth of 2.2% to reach about 1881.4 million tons.

### IMPACT OF RUSSIAN-UKRAINIAN WAR

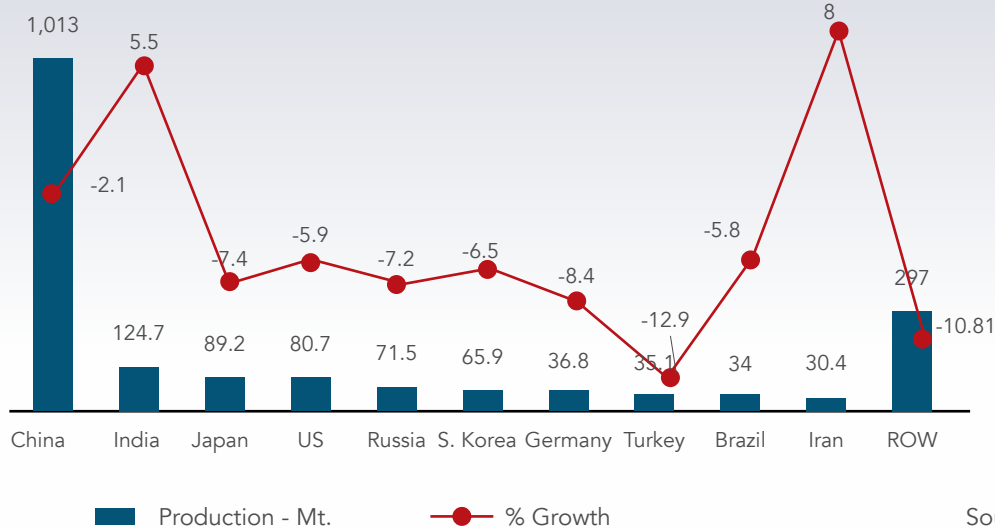
The year 2022 was a tumultuous year for the steel industry. Globally, the industry started well on the back of a strong post-Covid recovery and the infrastructure investments that many

governments across the world had announced to support this recovery.

However, the conflict in Ukraine made worse the inflationary pressures being felt due to supply chain bottlenecks in the post Covid world. Gas prices shot up as did coal prices which led to steel prices shooting up. Economic crisis induced by war has caused decreasing steel demand and redirection of trade flows. For example, in 9 months of 2022, India decreased steel exports to EU by 45% and increased steel exports to MENA by 16%. Low-cost steel suppliers like Russia, China, India have decreased steel prices to expand exports and this has resulted in negative margins for steelmakers. The war worsened current economic situation globally.

The war can reveal additional disbalances, in the real estate market throughout the world, in the sovereign debt market. This makes it optimistic about the future despite a challenging year. Year 2023 is expected to be a better year than 2022 for the steel industry globally.

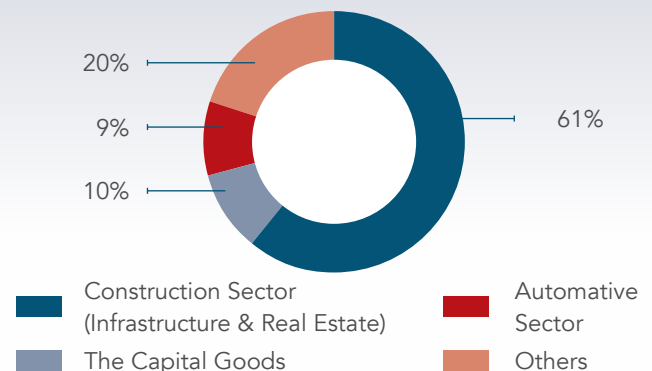
**CRUDE STEEL PRODUCTION DURING CY:2022- MILLION TONS**



### INDIAN ECONOMIC OVERVIEW

Amid the uncertain global economic scenario, India continues to stand out for its economic recovery and infrastructure investment-led growth. The construction sector, which includes both infrastructure and real estate, is the largest consumer of steel, constituting around 61% of domestic steel demand. The capital goods sector comes next constituting around 10% of steel consumption and this sector is followed by the automotive sector that constitutes around 9% of domestic steel demand.

**SECTORAL CONSUMPTION OF STEEL IN INDIA**





## INDIA THE SAVIOUR FOR FLAGGING GLOBAL STEEL DEMAND

India has emerged as a saviour for flagging global steel demand. With China's massive construction sector still in a funk and the US and Europe likely heading into recessions, it is India that is driving steel usage. Hon'ble Prime Minister of India Shri Narendra Modi is seeking to modernise roads, rail networks and ports in an attempt to vie with China as a manufacturing hub. That's set to translate into a 6.7 percent jump in steel demand to around 120 million tons in 2023, according to the World Steel Association, the highest growth among major economies. The nation-building phase of any economy requires a lot of steel and commodities. The country is going through that phase in this decade, and it could boost the country's steel consumption to more than 200 million tons by 2030. This is dependent on the success of Hon'ble Prime Minister's construction roll-out, with the Ministry of Finance estimating \$1.4 trillion of funding will be needed for the National Infrastructure Pipeline through 2025.

## ECONOMIC GROWTH RATE & STATISTICS

### INDIA THE 5<sup>TH</sup> LARGEST ECONOMY

Strong economic growth in the first quarter of FY 2022-23 helped India overcome the UK to become the fifth-largest economy after it recovered from repeated waves of COVID-19 pandemic shock. Real GDP in the first quarter of 2022-23 is currently about 4% higher than its corresponding 2019-20, indicating a strong start for India's recovery from the pandemic.

Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

India's nominal gross domestic product (GDP) at current prices is estimated to be at ₹ 232.15 trillion (US\$ 3.12 trillion) in FY22. With more than 100 unicorns valued at US\$ 332.7 billion, India has the third-largest unicorn base in the world. The government is also focusing on renewable sources to generate energy and is planning to achieve 40% of its energy from non-fossil sources by 2030. India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030.

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. Indian exports are expected to reach US\$ 1 trillion by 2030.

## IRON ORE AND IRON ORE PELLET MARKET SCENARIO:

Seaborne Iron ore prices were highly volatile during FY 2022-23 and ended the year 2022 at their lowest in last 3 or 4 years. COVID-19 & property sector slowdown continued to weigh down steel demand in China. Prices in the western countries remained subdued because of weak demand, high inflation and fear of recession. The fallout from Ukraine conflict is still hobbling markets, by drying up ore supplies, while growing energy crunch hampers Europe's steel output. The international iron ore pellets price movement during the FY 2022-23 is given in the following graphs:

**INTERNATIONAL 63% FE IRON ORE PELLETS PRICES , CFR CHINA - (US\$/MT)**

Source: Platts



## FUTURE OUTLOOK FOR IRON ORE & IRON ORE PELLET INDUSTRY

The current downward trend being witnessed in the international iron ore and iron ore pellets market is expected to languish in 2023 as well, with China & Europe cutting steel output, while pressure is mounting from additional supplies. China's real estate problems and the lingering impact of COVID-19 will keep its steel demand suppressed during 2023 and over the long term, it would depend on the recovery of the property sector on the one hand, and the government's policy of an infrastructure-led economic growth model in China.

The Iron Ore Pellets market is expected to register fluctuating growth trends in the long term, while inflation and supply chain concerns are expected to continue in 2023. Shifting consumer preferences in a projected economic downturn scenario, amendments to industrial policies to align with growing environmental concerns, huge fluctuations in raw material costs triggered by prevailing geo-political tensions, and expected economic turbulences are noted as key challenges to be addressed by the Iron Ore Pellets industry players during the short and medium term. Concerns of global economic slowdown, the impact of war in Ukraine, lockdowns in China with resurging COVID cases and the Risks of stagflation envisaging numerous market scenarios are pressing the need for Iron Ore Pellets industry players to be more vigilant and forward-looking. Robust changes brought in by the pandemic COVID-19 in the Iron Ore Pellets supply chain and the burgeoning drive for a cleaner and sustainable environment are necessitating companies to alter their strategies.

## LEVY OF 45% OF EXPORT DUTY ON EXPORT OF IRON ORE PELLETS

Govt. of India vide Customs Notice No. 29/2022 - Customs dated 21-05-2022 imposed 45% Export Duty on Export of pellets, w.e.f., 22-05-2022. The imposition of a steep 45% export duty on pellets was a major dampener for merchant

pellet players in general and KIOCL in particular in the backdrop of KIOCL being 100% EoU. The steep hike in export duty coupled with high cost of production due to higher logistics cost have rendered KIOCL pellet exports unviable and KIOCL had stopped its pellet plant operations at Mangalore in view of unviable operation due to levy of Export Duty.

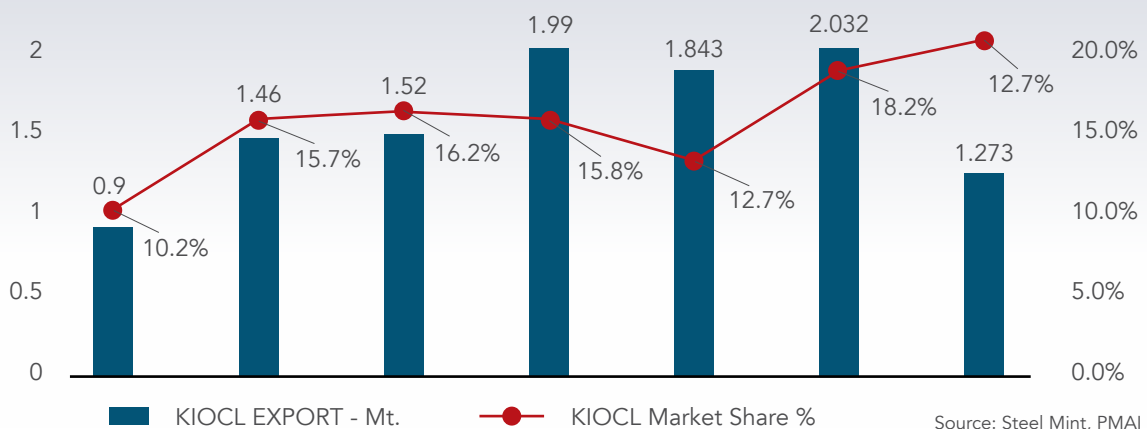
Imposition of export duty on the steel sector led to a number of consequences for the sector and the country. India lost out on the opportunity to sell surplus quantities and thus the country faced adverse balance of trade. As per Indian Steel Association (ISA), exports of steel, which fell around 55 per cent in April-October, 2022 compared to the year-ago period.

Export duty on steel have also made exports unviable. This was done as commodity price inflation was very high in India. Thus, there was a double whammy of muted domestic demand and unviable exports. The Indian Government finally removed the export duty on November 19, 2022, but by then global steel prices had headed south. Moreover, Europe, one of India's export markets, witnessed low steel demand and hardly imported. Vietnam, India's other major export market, also had excess supply and hardly imported. However, the silver lining was that domestic demand picked up by the end of the year.

Iron Ore pellet export became unviable for KIOCL due to imposition of 45% of export duty on export of pellets, and KIOCL could not export iron ore pellets. Because of higher production cost, even iron ore pellets were not viable in domestic market. However, KIOCL started focusing on selling its iron ore pellets in domestic market both through road and sea mode of dispatches for maximizing sales during the current financial year.

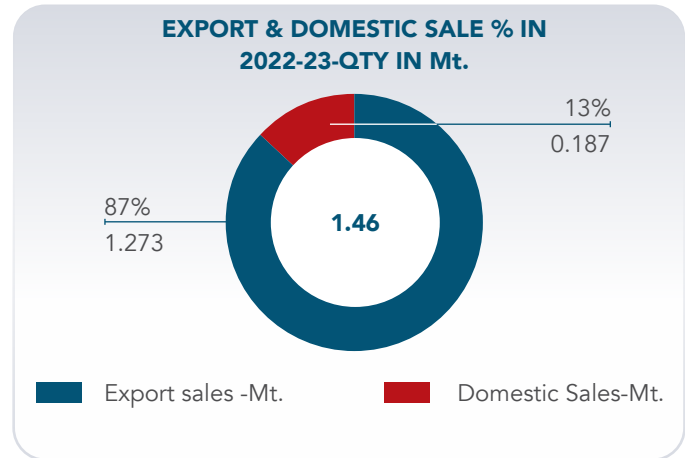
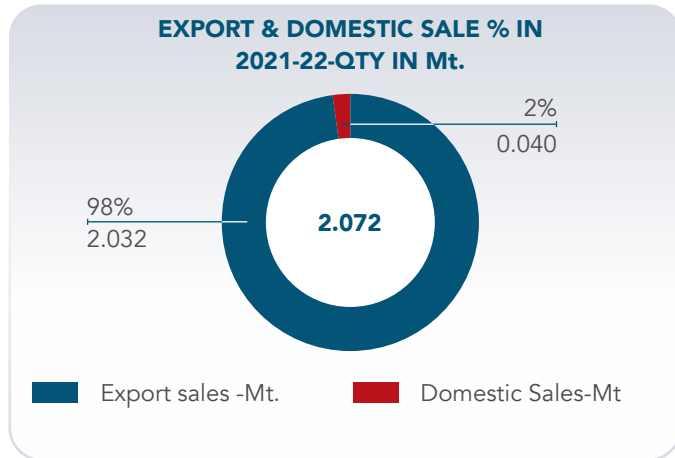
Pellet Exports from India stood at about 6.26 million tons during 2022-23 as against 11.14 million tons in the previous year, down by about 43.77 % on Year – on -Year. Pellet Exports from KIOCL stood at about 1.273 million tons during 2022-23 as against 2.032 million tons in the previous year, down by about 37.36 % on Year – on -Year. KIOCL's market share in export of pellets from India is given in the following graph:

**KIOCL MARKET SHARE IN EXPORT OF PELLETS FROM INDIA- 2016-17 to 2022-23**





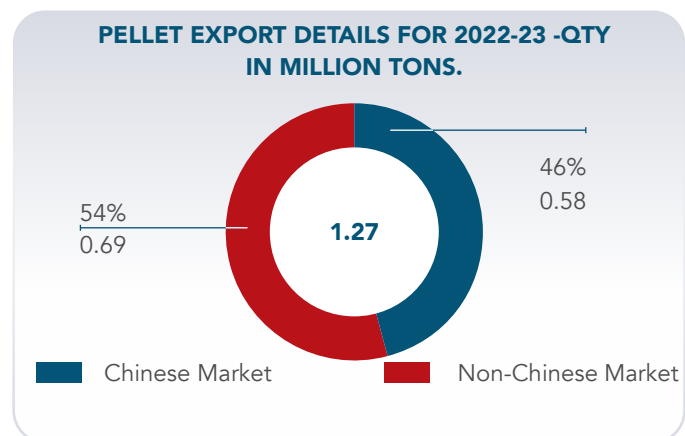
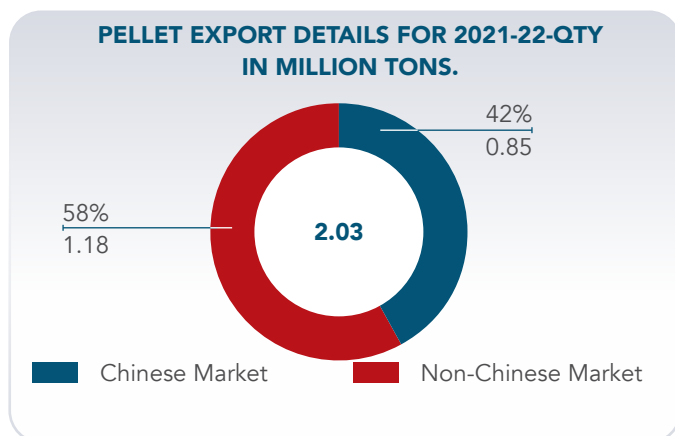
**During the FY:** 2022-23, KIOCL registered upward trend in DTA sale of pellets, which stood at 14.72% as against 2.0% during the previous year 2021-22. KIOCL is facing competition from merchant pellet manufacturers in India whose capacity has increase over the year. Domestic pellet manufacturers are based in and around mining areas and nearer to end users. Hence, they are able to offer pellets in the domestic market at a competitive price in comparison with KIOCL's pellets. Because of higher production cost, even iron ore pellets were not viable in domestic market.



For the Financial Year 2022-23, the cumulative sales for iron ore pellets was 14,59,997 MT against cumulative production of 15,10,000 MT. The performance in the backdrop of the global economic slowdown, Russia-Ukraine war impact, pandemic after effects and also imposition of 45% export duty by the Government of India, was commendable. Against the above international market scenario for pellets, KIOCL did well during the last Quarters and against the target of 6,20,000 MT, actual sales were 6,88,014 MT, i.e., 110.97% of target achievement. During March, 2023 a total of 7 shipments of quantity 3,72,210 MT was sold in the export market. The March, 2023 dispatch of 3,72,210 MT were the second highest ever monthly dispatches after closure of captive mines, i.e., from 2006-07 onwards. The maximum sales volume was recorded during March, 2022 at 3,79,150 MT.

**EXPANSION OF MARKET BASE:**

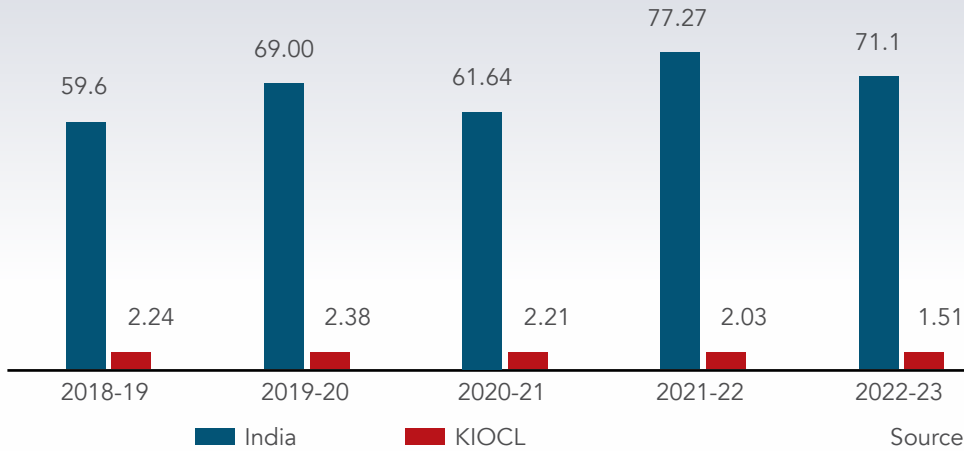
China, being the consumer of more than 50% of the iron ore produced in the world has been the major market for KIOCL pellets. In continuation with its efforts to sell pellets in the non-Chinese Market to minimize dependency on the Chinese market and to expand its Market presence, about 54.38 % of the total exports made were to markets other than China in comparison with about 57.93 % during the previous year. Efforts Continued for market share diversification by reaching end-users in Oman, Indonesia, Italy, Turkey, and Netherlands. China controls about 70-80% of sea borne iron ore trade and hence finding market alternative to China for KIOCL pellets is in line with Company's expansion of business plan.



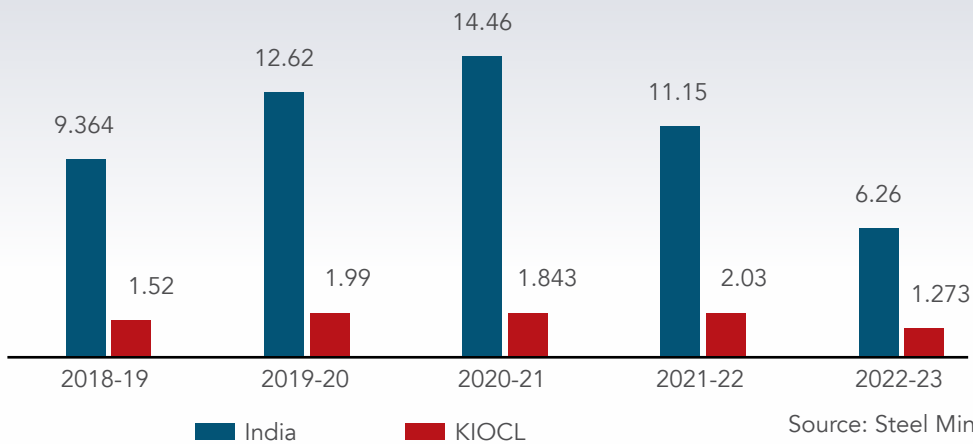
[Source: PMAI, Steel Mint, MoS, IBEF, World Steel, Media Report, PIB, Union Budget, WSA...etc]

## DOMESTIC PELLET PRODUCTION & EXPORT VIS-À-VIS KIOCL SHARE

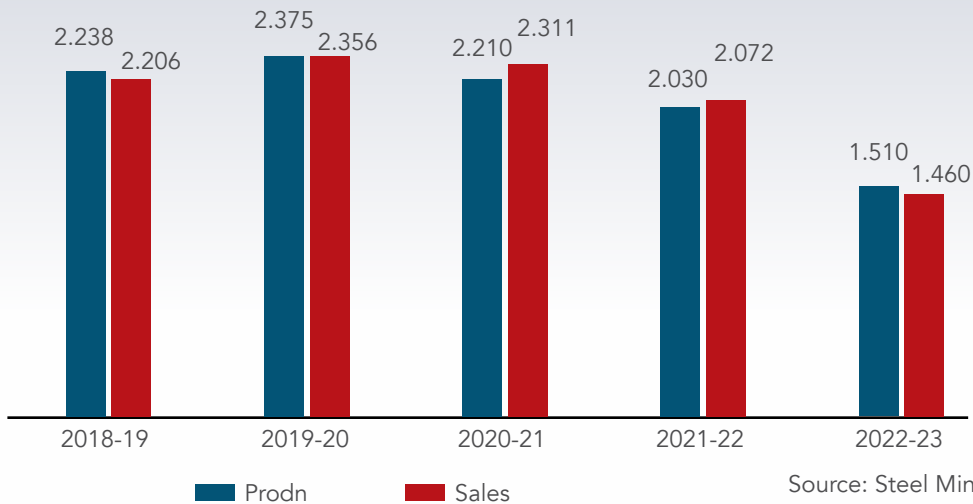
PELLET PRODUCTION IN INDIA & KIOCL QTY IN MILLION TONS



PELLET EXPORTS FROM INDIA & KIOCL QTY IN MILLION TONS



PELLET PRODUCTION AND SALES (IN MILLION TONS) - KIOCL





## FINANCIAL PERFORMANCE OF OPERATION

a) The Financial performance of the Company for the year 2022-23 in brief is furnished below:

Particulars	₹ in Crores)	
	2022-23	2021-22
Revenue from Operations	1543.42	3006.45
Profit /(Loss) Before Tax for the year	(122.76)	411.03
Profit /(Loss) After Tax	(97.67)	313.41

b) Cash Flow information: - An abstract of Cash Flow statement for the year ended on March 31, 2023 is as under:

₹ in Crores)	
A) Cash and Cash Equivalents as at 01-04-2022	351.71
B) Net Cash from Operating Activities	(309.36)
C) Net Cash from Investing Activities	129.19
D) Net Cash used in Financing Activities	337.04
E) Cash and Cash Equivalent as at 31-03-2023	508.58

## PRODUCT-WISE PERFORMANCE

The production target vis-a-vis actual achievement with capacity utilization during last five years including current year is depicted as under: -

Year	(Qty. in Million Tons)		
	MoU Target	Actual Production	Capacity Utilization (%)
2022-23	NIL*	1.510	43
2021-22	2.800	2.030	58
2020-21	2.500	2.210	63
2019-20	2.300	2.375	68
2018-19	2.170	2.238	64

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

\* The Company was exempted from signing MoU.

## SWOT ANALYSIS

In the ever-changing business environment, your Company has identified the following Strengths, Weakness, Opportunities and Threats:

### STRENGTHS

- Mining Lease Deed executed between Govt. of Karnataka and KIOCL on 02-01-2023 for the grant of mining lease of

Iron Ore and Manganese Ore over an extent of 388 ha for a period of 50 years

- Niche Expertise
- **Expertise in handling iron ore from different sources (Magnetite/ Hematite) with different ore characteristics in pellet making.**
- Expertise in Mining, Beneficiation, Pelletization & Exploration
- Material Handling advantage
- **Proximity to National Highway, Railway line & Port.**
- **Shore based Plant with dedicated berth & mechanical ship loading facility.**
- Qualified, skilled and experienced manpower.
- Well defined HR policies.
- Authorized Economic Operator Export Oriented Unit
- Strong environmental and social commitment
- Committed Management team with high professional acumen
- Risk Management Plan and its mitigation in place

### WEAKNESS

- Raw Material Sourcing
- **Lack of an operative captive mine since 2006.**
- **Due to high basic price and stiff competition, uneconomical to procure IOF from Karnataka through e-auction.**
- **Plant located away from mine head as well as domestic consumer locations.**
- High logistics cost for transportation of Iron Ore Fines.
- Restricted to produce only BF Grade Pellets due to non-availability of high-grade ore indigenously and absence of beneficiation facilities.
- Single product portfolio since BFU operation is suspended.
- Lack of forward or backward integration for its Blast Furnace Unit.
- Non availability of deep draft berths/facilities to handle cape size vessels.

## OPPORTUNITIES

- Mining Lease Deed executed between Govt. of Karnataka and KIOCL on 02-01-2023 for the grant of mining lease of Iron Ore and Manganese Ore over an extent of 388 ha for a period 50 years
- Export duty on Pellets levied by Govt. of India vide Customs Notice No. 29/2022 - Customs dated 21-05-2022 withdrawn on 19-11-2022
- Anticipated strong growth in the Indian Steel Industry driven by the Govt.'s focus on manufacturing and infrastructure.
- Production-linked incentive for steel manufacturing.
- Sustained Demand for value added products like Pellet, DISP etc.
- Potential growth through JVs with other steel majors in India and overseas.
- Best located for serving Steel plants in Middle East, China under Make in India.

## THREATS

- Change in Govt. of India policy on export duty on pellets.
- Fluctuations in IOF price due to monthly pricing under LTC with NMDC.
- Severe competition in the Pellet Industry.
- Commissioning of captive pellet plants by all integrated steel plants.
- Inflow of Pellet and high-grade lump from overseas at lower rates.
- Constrained development due to continuation of policy, regulatory and environmental limitations.
- Volatility in raw material prices on account of policy and regulatory actions.
- Threat of substitute's viz., use of sinter or lumps in place of Pellets.
- Highly dependent on China for selling of Pellets.

## INTERNAL CONTROL SYSTEMS

The Risk Based Internal Audit (RBIA) is in place in the Company since 2011. It helps to strengthen the Internal Control Systems of the Company which is very important to ensure compliance of audit related regulatory guidelines, to bring the desired improvement and give timely feedback to the Top Management for taking-up immediate corrective

steps. The report of Internal Auditor is placed before the Audit Committee on quarterly basis.

## MATERIAL DEVELOPMENT IN HUMAN RESOURCE / INDUSTRIAL RELATION

During the year, focus of Human Resource Development continued to be in creating a performance driven culture with specific emphasis on developing Technical and Behavioural competencies of Employees. In order to enhance the functional and behavioural competency of employees and to align the individual need with the business objective of the organization towards increasing production and productivity as well as to improve business culture in the organization, there has been a generous effort to impart skill and behavioural training to its employees. In its commitment to good corporate governance, the Company also imparts skill development training to contract workers, apprentices, students from managerial and technical institutes as well as for local population. During the year 2022-23 No.6085 of man days of training was imparted to the employees.

The Employee Relations Scenario in the Company has been peaceful & cordial during the year. Cordial relations were maintained between the Management and the Unions / Associations by effective communication, to eliminate any scope for conflicts & misunderstandings and thus facilitate maintenance of Industrial Harmony. In line with Company's Policy of encouraging Employees Participation in Management, regular Meetings with the representatives of the Recognized Unions / Officers Associations were held to discuss issues. Plant Level & Shop Level Committees comprising of representatives of Management / Union are functioning in the plant to discuss & resolve production related matters. In order to address Employee / Public Grievance / Representations, Grievance Redressal Mechanisms are also in place in the Company.

## SUCCESSION PLANNING

As Companies move through various stages in their life cycle and build growth strategies to deal with changing business environments, the issue of leadership becomes critical and with it, the related issue of Succession Planning is the process of identifying and tracking high-potential employees who will be able to fill the management positions when it is required. While the dynamics may differ between companies, a succession strategy essentially needs to look ahead and plan appropriately to ensure that there is continuity and the right kind of leadership to be provided in the business at all levels. Accordingly, the Company has devised a Board approved succession planning policy. The policy is available on Company website. The key objectives for succession planning at KIOCL are:

- ✓ Build leadership pipeline / talent pool to ensure leadership continuity and help in gearing up for any unexpected eventuality



- ✓ Provides framework to align leadership with strategic needs of the organization
- ✓ Identify high-potential employees who are capable of moving into senior positions with higher responsibility than those they presently occupy and train them to gear up for the future
- ✓ To provide career path for high potentials leading to retention of key talent
- ✓ To ensure systematic and long-term development of High Potentials in the organization
- ✓ Efficiently transfer responsibility from older to younger generations
- ✓ To pass control of the business in a way that will ensure effective business leadership.

## KEY FINANCIAL RATIOS:

Ratios	2022-23	2021-22	% Variance	Reason for variance
Current Ratio (in times)	2.65	6.57	-59.67%	Increase in current liability due to current borrowings.
Debt - Equity Ratio (in times)	0.206	0.004	4797.41%	During the current year, the Company availed Overdraft and additional Term Loan.
Debt Service Coverage Ratio (in times)	-5	28	-116.90%	Operating Loss during the year.
Return on Equity Ratio (in %)	-4.71%	15.18%	-131.04%	Operating Loss during the year.
Inventory Turnover Ratio (in times)	4.47	9.16	-51.18%	Sales reduced due to imposition of export duty on pellets
Trade receivables turnover ratio (in times)	4.41	11.05	-60.13%	Sales reduced due to imposition of export duty on pellets and trade receivable increased due to higher credit sales in March, 2023.
Trade payables turnover ratio (in times)	3.84	4.91	-21.83%	Credit purchase reduced and average trade payable increased.
Net Capital Turnover Ratio (in times)	1.06	1.69	-36.97%	Sales reduced due to imposition of export duty on pellets.
Net Profit Ratio (in %)	-6.33%	10.42%	-160.70%	Incurred operating loss due to imposition of export duty on pellets.
Return on Capital Employed (in %)	-5.81%	21.51%	-127.02%	Incurred operating loss due to imposition of export duty on pellets.
Return on Investment- Liquid Mutual Fund (in %)	5.60%	3.28%	70.73%	Increase in rate of interest.

## DETAILS OF ANY CHANGE IN RETURN ON NET WORTH

The return on Average Net-worth during the year was (4.71) % as compared to 15.18% during the previous year. The dip in return was due to operating loss during the year.

## FUTURE OUTLOOK

The following projects are in different stages of implementation: -

### DEVELOPMENT OF DEVADARI IRON ORE BLOCK

<b>Brief of Project</b>	<ul style="list-style-type: none"> <li>Develop Iron ore Mine of capacity 2.0 MTPA.</li> <li>Set up 2.0 MTPA capacity Beneficiation Plant.</li> </ul>
<b>Time Schedule</b>	Commencement of iron ore production by Mid-April 2024 and 24 months from the date of placement of order on the Main technological package supplier for Beneficiation Plant.
<b>CAPEX</b>	₹ 1500 Crores
<b>Status</b>	MoEF&CC, GoI accorded Stage II Final FC on 16-12-2022 for Devadari Iron Ore Mine. On obtaining Statutory Clearance viz Mining Plan approval, Environment Clearance, Forest Clearance and Consent for Establishment, KIOCL executed Mining Lease Deed of Devadari Iron Ore Mine with Director, Mines and Geology, Govt. of Karnataka on 02-01-2023 for 388 ha area for a period of 50 years for Iron Ore and Manganese Ore (ML No. 020 of 2023). Mining Lease Deed registered in the Sub-Registrar Office, Sandur on 18-01-2023 and paid ₹ 329.18 crores towards Stamp Duty Fees. Govt. of Karnataka issued Government Order on 11-04-2023 for diversion of forest land for Devadari Iron Ore Mine. On entering into an agreement with Dy. Conservator of Forest, Ballari Dist, KIOCL will commence the activities at site for detailed exploration, mine development and production. KIOCL has appointed M/s MECON as Consultant for Devadari Iron Ore Mine for various packages.

### SETTING UP OF COKE OVEN PLANT & DISP PLANT WITH MODERNIZATION OF BFU

<b>Brief of Project</b>	Setting up of 2.0 LTPA DISP Plant under forward & 1.80 LTPA Coke Oven Plant under backward integration projects by KIOCL Limited and carrying out the necessary modifications to the Blast Furnace Unit of KIOCL to make the unit economically viable.
<b>Time Schedule</b>	Coke Oven Plant- March, 2024 and DISP- 24 months from the date of placement of order on the Main technological package supplier.
<b>CAPEX</b>	₹ 836.90 Crores
<b>Status</b>	<p>M/s MECON has been appointed as EPCM consultant for the project. Main technological packages envisaged are NRHR type Coke Oven Plant, Waste heat recovery Power Plant, Ductile Iron Spun Pipe, Pulverised Coal Injection Plant (PCI), Oxygen and Nitrogen Plants. Captive coke oven and PCI System will reduce the input raw material cost of Blast furnace operation. The Coke Oven Plant agreement was signed with M/s Tuaman Engg. Ltd, Kolkata on 22-11-2021 and Tripartite agreement was entered among KIOCL, M/s Tuaman Engg. Ltd and M/s. CIMFR, Dhanbad, Technology provider under Atmanirbhar Bharath Initiative. The total project cost for Coke Oven is ₹ 218.00 Crores. Detail Engineering is under progress. Civil works for Battery- 1 and Battery-2 are completed and civil works of balance buildings, structures are under progress. Major coke oven Machines are being manufactured by vendors and expected to reach site by September 2023. The Coke Oven Plant is expected to be commissioned by March, 2024.</p> <p>The tenders floated for DISP Plant, Power Plant, Pulverized Coal Injection (PCI), Oxygen and Nitrogen plants have been cancelled due to high price and change in procurement policy of GoI. Further process of re-tendering is being reviewed by company as per the guidelines of Ministry of Steel.</p>

### MODERNIZATION OF PELLET PLANT UNIT, MANGALURU

<b>Brief of Project</b>	Installation of 4 Nos. of Vertical Pressure Filters
<b>Time Schedule</b>	Expected to be completed by Dec 2023
<b>CAPEX</b>	₹ 158.60 Crores





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<b>Status</b>	The existing vacuum disc filters at Pellet Plant are not suitable to filter the iron ore having high Alumina content and slimy in nature. Accordingly, the Board approved the project in its 257 <sup>th</sup> Meeting held on 26-03-2019 with the estimated cost of ₹ 158.60 Crores. Four (04) Nos of vertical Pressure filters supplied by M/s METSO have been installed at Pellet Plant to have flexibility to utilize the ore received from any part of the country at a competitive price. Auxiliary equipments are also being supplied by various vendors and commissioning of Vertical Pressure filters is expected to be completed by Dec, 2023. Company appointed M/s MECON as consultant for installation of vertical pressure filters. The total savings in production cost by installation of vertical pressure filters is expected to be ₹ 45.3 Crores per annum and it would enable the plant to improve capacity utilization with flexibility in using Ores of different sources with different characteristics.
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## DIGITAL TRANSFORMATION

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<b>Brief of Project</b>	ERP Implementation
<b>Time Schedule</b>	24 months for ERP
<b>CAPEX</b>	₹ 20.31 Crores for ERP [Est.]
<b>Status</b>	<p>The SAP S/4 HANA project named as "ASHWA MEGHA" have gone live on April 1, 2023 with the following modules: -</p> <ol style="list-style-type: none"><li>1. Procurement and Inventory</li><li>2. HR and Payroll with ESS</li><li>3. Project Management</li><li>4. Financial Management</li><li>5. Plant Maintenance</li><li>6. Production and Quality control</li><li>7. Reporting management / MIS / Analytics /BI</li><li>8. Document Management System<ul style="list-style-type: none"><li>• File Management</li><li>• Master data Management</li><li>• Document Repository</li></ul></li></ol> <p>The project is under stabilization period.</p>

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### CAUTIONARY STATEMENT

Certain statements in this report regarding our business operations may constitute forward-looking statements. These include all statements other than statements of historical fact, including those regarding the financial position, business strategy, management plans and objectives for future operations. Forward looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and that may be incapable of being realised, and as such, are not intended to be a guarantee of future results, but constitute our current expectations based on reasonable assumptions. Actual results could differ materially from those projected in any forward-looking statements due to various events, risks, uncertainties and other factors. We neither intend to nor assume any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

## ANNEXURE TO BOARD'S REPORT

## Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

[SECTION 134(3) (M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014]

### A. CONSERVATION OF ENERGY

#### a) Steps taken by the company for utilizing alternate sources of Energy

- i) 2.97 lakh kWh of Solar Power generated from BFU roof top solar power plant and 1.10 lakh kWh from CPP Roof top solar power plant in the FY 2022-23.
- ii) Self-owned 1 MW ground based Solar Power Plant at Blast Furnace unit generation is 14.53 lakh kWh for the FY 2022-23.
- iii) Self-owned 5 MW capacity ground based Solar plant was commissioned in March, 2021 at Chikkanayakanahalli in Tumkur District, Karnataka. The total solar power generated and wheeled to KIOCL Mangalore facilities from this Plant is 82.78 lakh kWh for FY 2022-23 against 77.18 lakh kWh generated during previous financial year 2021-22.
- iv) Wind Energy (Non-Solar) is purchased through Non captive Wheeling route from Independent Power Producers (IPP) for utilization in Pellet plant. 46 lakh kWh of Wind energy is purchased in FY 2022-23 against 66 Lakh kWh procured during previous Financial Year 2021-22.

#### b) Energy cost management

- i. As part of Company's effort towards cutting down the cost of energy consumed, Company purchased about 0.54% of total energy utilized in Pellet Plant unit from IEX.
- ii. Company adopted "Special Incentive Scheme" from MESCOM which is risk free compared to IEX energy bidding and has resulted in a savings of ₹4.55 Crores in the FY 2022-23
- iii. Company purchased Renewable Wind Energy of 46 Lakh kWh in 2022-23 which is 4.4% of total energy consumption of pellet plant. This saved in energy cost and fulfilled the RPO requirement
- iv. The total savings from IEX bidding and Wheeling of Renewable energy is ₹0.69 Crores in the year 2022-23

- v. Sourcing around 10 Million kWh of Energy from KIOCL owned Solar power plants at PPU, BFU and at CN'Halli, a financial savings of around ₹6.5 Crore is achieved (considering present Energy cost)
- vi. So by effective cost management, KIOCL achieved a total savings of ₹11.74 Crores for the year 2022-23.
- vii. Company has also saved around ₹52 lakhs for the year by installing energy efficient motors, LED fittings, BLDC Fans, Variable frequency Drives, Energy Efficient AC units etc.

#### c) Steps taken towards Energy Conservation:

- a. Purchased and installed 7 Nos of energy efficient LT motors of type IE3 in Port facilities.
- b. Around 2700 LED Light fittings (20 W LED tubes, 70 W & 80 W well glass, 100 W Street lights, 200W High mast fittings etc) have been installed in place of conventional fluorescent tube fittings, Sodium vapour lamps, Mercury Vapour lamps of higher power consumption.
- c. Replaced 175 Nos of normal fans with BrushLess DC (BLDC) fans in PPU & BFU.
- d. Installed 20 Nos of high efficient 5-star AC units of 1.5 T/ 2T in BFU in place of old units in BFU

#### d) Investment towards Energy Conservation / Impact of measures implemented

- i. ₹21.01 lakhs spent for procurement of 7 Nos of energy Efficient motors. Expected Energy Savings is 2.5 Lakhs kWh per year – at present energy cost this result in a financial savings of ₹ 20.7 lakhs per year.
- ii. ₹12.52 lakhs spent towards procurement of energy efficient LED light fittings of various rating in PPU & BFU- Expected savings is around ₹ 3.23 lakhs kWh per year - at present energy cost this result in a financial savings of ₹26.74 lakhs per year.

- iii. ₹3.66 Lakhs spent towards procurement of 175 Nos of Brush Less D C Fans – Expected Energy savings is 0.26 Lakh kWh per year - at present energy cost this result in a financial savings of ₹2.19 lakhs per year.
- iv. ₹9.3 lakhs spent towards procurement of 20 Nos of high efficient AC units in BFU. Expected savings per year is around ₹0.29 lakh kWh per year. at present energy cost this result in a financial savings of ₹ 2.38 lakhs per year.
- v. Totally around ₹46.5 Lakhs spent in the FY 2022-23 on various Energy Conservation measures and achieved an energy savings of approximately ₹6.28 Lakh kWh per year. At present grid energy cost, this resulted in a financial savings of ₹52 lakhs per year.
- vi. Procurement action is already initiated towards procurement of LED Fittings, Variable frequency Drives, Energy Efficient Motors etc at an estimated cost of ₹38 Lakhs.

#### e) Energy Management

- a) Heat Consumption in '000 K Calories: -  
2021-22 - 237.34  
2022-23 - 220.38 (A reduction of 7.1% from 2021-22)
- b) Energy consumption in last two years in Pellet plant unit  
2020-21 – 164.34 GWh  
2021-22 – 157.02 GWh  
Maximum Demand – 20.055 MVA recorded in August, 2021.
- c) Energy consumption per ton in last two years in Pellet plant unit  
2021-22– 157.02 GWh  
2022-23– 104.44 GWh  
Maximum demand - 19.94 MVA recorded in January, 2023
- d) Energy Consumption Per ton in last two years in Pellet plant Unit  
2021-22- 77.35 kWh/T  
2022-23- 69.17 kWh/T (A reduction of 10.58% from 2021-22)

- e) Average Energy Consumed per Ton in Grinding & Filtration Plant alone  
2021-22- 37.97 kWh/T  
2022-23- 32.07 kWh/T (A reduction of 15.53% from 2021-22)
- f) Average Energy Consumed Per Ton in Pellet Plant alone  
2021-22- 38.00 kWh/T  
2022-23- 36.97 kWh/T
- g) Percentage of Energy sourced from Captive Power plant of PPU  
2021-22- 39.0%  
2022-23- 34.2%  
(Generation from CPP restricted due to higher price of Furnace oil)
- h) Percentage of renewable Energy in Total Energy Consumption of Plant  
2021-22- 10.19%  
2022-23- 13.81%

- i) **Energy Audit:** An Energy Audit was carried out during August, 2022 in Pellet plant Unit. The Audit was carried out by M/s green serve Energy Management Solutions, Vijay Nagar, Durg, Chattisgarh – a BEE accredited Energy Auditing Agency. They have submitted a report suggesting around 25 proposals for Energy Conservation / Efficiency. Total Energy savings estimated from these measures is around 123.72 Lakh kWh per year resulting in a financial savings of around ₹ 1146.84 Lakhs per year. Proposals are being taken up for implementation in a phased manner.

#### j) Energy conservation Day 2022 – 23

A function in connection with Energy conservation day was held on 12-12-2022. Competitions like Quiz & slogan writing (in three languages) on the theme of energy conservation were conducted. Function was conducted in the presence of CMD & D(P&P). Energy report for the year was presented by the Energy Manager. Prizes for various competitions were distributed to the winners during the function.

## B: TECHNOLOGY ABSORPTION

### Research & Development (R & D)

(a) During the financial year 2022-23, following R&D activities have been taken up: -

**1. The High Efficiency Rotor Assembly:** - The design of the impeller is more than 35 years old and presently better design impellers with better efficiency are available. Hence the matter was taken up with various fan manufacturers for supply of better efficiency impeller which can be mounted on the existing foundation, bearing supports and casing. Already an Order no. 407360-I dated 15-12-2020 is placed on M/s. Boldrocchi India Pvt. Ltd. for the supply of high efficiency impeller. The High efficient Rotor assembly for VZ-31 FAN delivered on April 11, 2022. High Efficiency Rotor Assembly was installed in Recuperation Fan to improve operation. Performance checked and found satisfactorily. The expenditure on Design, manufacture and supply of High Efficiency Rotor Assembly is ₹ 72,00,000/-

**2. Reduction in length of CB92 conveyor:** - As the fines storage Silo is not being used, the length of the pellet loading conveyor CB92 was reduced by 120m by relocating the tail pulley. The advantages of this modification are:

(a) Reduced power consumption to the extent of 20%.

(b) Reduced maintenance cost.

Due to the reduction in length, we were able to reduce installed quantity of idlers, brackets, conveyor belts amounting to a cost of ₹ 26,10,600/- there by leading to equivalent reduction in inventory costs.

**3. Fixing of VFD for thickener underflow pump PS125:** - With the fixed speed drive, PS125 was running at full load, which is not always desirable. Sometimes it is required to run at lesser RPM to control the pump density. With the fixing of VFD for PS125, the following advantages are achieved:

- (1) Better control of pump density which improves the process efficiency.
- (2) Reduction in power consumption, as the pump needs to run at on average of 75% of full load to achieve the desired density.

The cost of VFD is ₹ 3,78,800/-. This cost will be paid back in one year even if the pump runs at 75% load for 6 hours in a day for 300 days in a year.

(b) Expenditure on R & D

Particulars	₹ in Lakhs	
	2021-22	2022-23
a) Capital	Nil	Nil
b) Revenue	5.81	75.79
c) Total	5.81	75.79
d) As % of total turnover	0.00	0.00

## C: FOREIGN EXCHANGE EARNINGS & OUTGO

Export revenue constituted 88% of the total revenue from operations in FY 2023 (97.42% in FY 2022).

Particulars	₹ in Lakhs	
	2021-22	2022-23
Foreign exchange earned	2,92,897.11	1,36,143.22
Foreign exchange used	11,946.88	6,562.16

Further it is hereby confirmed that there is no payment made towards the import of technology during the Financial Years 2020-21, 2021-22 & 2022-23.



# Annual Report on Corporate Social Responsibility Activities FY 2022-23

## 1. Brief outline on CSR Policy of the Company:

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

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

CSR POLICY: - <https://kioclltd.in/table.php?id=310>

CSR STATEMENTS: - <https://kioclltd.in/table.php?id=311>

## 2. Composition of CSR Committee:

Sl. No.	Name of Director (Shri / Smt. / Dr.)	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Usha Narayan	Chairperson / Independent Director	4	4
2	Changdev Sukhadev Kamble (w.e.f. 21-10-2022)	Member / Independent Director	2	2
3	Binay Krushna Mahapatra (w.e.f. 01-02-2023)	Member / Director (Finance)-Addl. Charge	1	1
4	T. Saminathan (w.e.f. 01-02-2023)	Member / Director (Production & Projects)-Addl. Charge	1	1
5	Nirmalendu Mohapatra, (Upto 20-10-2022)	Member / Independent Director	2	2
6	G. Ramasamy (Upto 21-11-2022)	Member / Independent Director	2	2
7	S.K. Gorai (Upto 31-01-2023)	Member / Director (Finance)	3	3
8	K.V. Bhaskara Reddy (Upto 31-01-2023)	Member / Director (Production & Projects)	3	3

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

COMMITTEE COMPOSITION: - <https://kioclltd.in/data.php?id=130>

CSR POLICY: - <https://kioclltd.in/table.php?id=310>

CSR PROJECTS: - <https://kioclltd.in/table.php?id=311>

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

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

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

Sl. No.	Financial Year	Amt available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2022-23	₹8,99,18,838	₹34,98,000

**6. Average net profit of the company as per section 135(5):** ₹29498.07 Lakhs

**7. (a) Two percent of average net profit of the company as per section 135(5):** ₹589.96 Lakhs

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

(c) Amount required to be set off for the financial year, if any: ₹34.98 Lakhs

(d) Total CSR obligation for the financial year (7a+7b- 7c): ₹554.98 Lakhs.

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

Total Amount Spent for the Financial Year. (in ₹ Lakh)	Amount Unspent (in ₹ Lakh)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
₹554.98	₹196.10	29-04-2023	NA	NIL	NA

**(b) Details of CSR amount spent against ongoing projects for the financial year: ₹196.10**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
SI No	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project Duration	Amount allocated for the project (₹ in lakhs)	Amount spent in the current financial year (₹ in lakhs)	Amount transferred to unspent CSR account for the project as per Sec.135(6) (₹ in Lakhs)	Mode of implementation – Direct (Yes/ No).	Mode of implementation - Through implementing agency.	
				State	District						Name.	CSR registration number.
1	Renovation of Govt. Drug resistant Tuberculosis Hospital in Bellary District to support National Tuberculosis Elimination Program [Renovation of OPD cum Consultation Block & Kitchen]	Health Care	Y	Karnataka	Bellary	2 years	71.18	0.00	71.18	Y	NA	NA
2	Conducting Medical Camps in & around Mangaluru	Health Care	Y	Karnataka	Dakshina Kannada	2 years	4	0.00	4	Y	NA	NA
3	Providing 6 no's wheel chairs to Seon Ashram, Gandibagilu, Belthangady, Dakshina Kannada District.	Health Care	Y	Karnataka	Dakshina Kannada	2 years	1	0.00	1	Y	NA	NA
4	Providing Nutrition Kits to Tuberculosis (TB) patients in Govt. Hopsitals in Mangaluru, Karnataka to support Pradhan Mantri TB Mukh Bharath Abhiyan	Health Care	Y	Karnataka	Dakshina Kannada	2 years	21.90	0.00	21.90	Y	NA	NA
5	Construction of one class room in Sasya Shamala educational society at Hospet, Karnataka	Promotion of Education	Y	Karnataka	Vijaya-nagar	2 years	9.89	0.00	9.89	Y	NA	NA
6	Construction of two class rooms in Dakshina Kannada Zilla Panchayat Hr. Primary school, Manikara, Puttur Taluk, Dakshina Kannada	Promotion of Education	Y	Karnataka	Dakshina Kannada	2 years	48.33	0.00	48.33	Y	NA	NA
7	Construction of two class rooms for science block at Govt. PU College, Kavoor, Mangaluru	Promotion of Education	Y	Karnataka	Dakshina Kannada	2 years	23.55	0.00	23.55	Y	NA	NA
8	Modification / renovation of 2 no's police quarters as counseling / relax rooms at Mangaluru	Infrastructure Development in & around the Company	Y	Karnataka	Dakshina Kannada	2 years	16.25	0.00	16.25	Y	NA	NA
<b>Total</b>							<b>196.10</b>		<b>196.10</b>			

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

(1) SI No	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/ No).	(5) Location of the project.		(6) Amount spent for the project (₹ in Lakhs)	(7) Mode of implementation - Direct (Yes/ No).	(8) Mode of implementation - Through implementing agency.	
				State	District			Name.	CSR registration number.
1	Repair of ANMTC Building at Wenlock Hospital, Mangaluru	Health Care	Y	Karnataka	Dakshina Kannada	8.50	Y	--	NA
2	One Mahindra Bolero Vehicle to Childline-1098 Dakshina Kannada District for the Benefit of Orphan Children	Health Care	Y	Karnataka	Dakshina Kannada	9.69	Y	--	NA
3	Financial Assistance for Procuring 5 Nos Dialysis Unit at Wenlock Hospital, Dakshina Kannada District	Health Care	Y	Karnataka	Dakshina Kannada	50	Y	--	NA
4	Financial Assistance for Construction of Red Cross Centenary Building Project at Mangaluru	Health Care	Y	Karnataka	Dakshina Kannada	15	Y	--	NA
5	300 Ma Cr System for Community Health Centre, Vamadapadavu (X-Ray Machine)	Health Care	Y	Karnataka	Dakshina Kannada	8	Y	--	NA
6	Financial Assistance for Providing Aluminum Partition Wall And Granite Platform to Microbiology Lab at Sir C.V Raman General Hospital, Bengaluru	Health Care	Y	Karnataka	Bengaluru	2.50	Y	--	NA
7	7 No's Wheel Chairs to St. Johns Medical & Charitable Hospital, Koramangala, Bengaluru to Help Pediatric Patients And Patients With Special Need	Health Care	Y	Karnataka	Bengaluru	2.43	Y	--	NA
8	Financial Assistance for Kidney Transplant of Patient Belonging to Poor Family at Narayana Hrudayalaya Hospital, Bengaluru	Health Care	Y	Karnataka	Bengaluru	5	Y	--	NA
9	Two Desktop Computers to Sir CV Raman Hospital, Bangalore	Health Care	Y	Karnataka	Bengaluru	0.84	Y	--	NA
10	Provision of Tricycles to 20 Handicap Persons at Sandur, Bellary District	Health Care	Y	Karnataka	Bellary	18.78	Y	--	NA



(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl No	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (₹ in Lakhs)	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	District			Name.	CSR registration number.
11	Medical Equipments to Govt Taluk Hospital, Hukkeri, Belagavi, Karnataka	Health Care	Y	Karnataka	Belagavi	23.25	Y	--	NA
12	Financial Assistance for Procurement of Medical Equipments & Other Required Items to Govt.General Hospital And Maternity(60 Bedded) Hospital, Hospet, Bellary District	Health Care	Y	Karnataka	Bellary	80	Y	--	NA
13	Financial Assistance for Organising "Yogathan" By Youth Empowerment & Sports Dept., Govt.Of Karnataka	Health Care	Y	Karnataka	--	28	Y	--	NA
14	Financial Assistance towards Providing Food, Shelter, Clothing, Education and Medicine to Children Accommodated at Mangala Seva Samithi, Orphanage (Bala Samrakshna Kendra)	Nutrition	Y	Karnataka	Dakshina Kannada	4	Y	--	NA
15	Providing Water Purifier, Lab Items, Materials to Dkzp Hr.Primary School, Kenjar	Drinking Water Facility/ Promotion of Education	Y	Karnataka	Dakshina Kannada	0.77	Y	--	NA
16	Providing Furniture to Govt. Higher Primary School, Meenakaliya. Baikampady, Mangaluru	Promotion of Education	Y	Karnataka	Dakshina Kannada	1.47	Y	--	NA
17	Provision of Drinking Water Filters and School Books to Govt.Hr.Primary School, Panambur, Mangaluru	Promotion of Education	Y	Karnataka	Dakshina Kannada	0.26	NA	--	NA
18	Providing Computer, UPS and Internet, Projector, Xerox Machine, Water Purifier to Govt Aided High School, Kulur, Mangaluru	Promotion of Education	Y	Karnataka	Dakshina Kannada	1.96	Y	--	NA
19	Furnitures To Two Class Rooms to Govt.High School, Belthangady	Promotion of Education	Y	Karnataka	Dakshina Kannada	3.28	Y	--	NA
20	LCD Projector as Education Aid for Conducting Smart Class and for Teaching Purpose in Dkzp Hr.Primary School, Kavoar	Promotion of Education	Y	Karnataka	Dakshina Kannada	0.37	Y	--	NA
21	Desktop Computers to Govt. High School, Mucchuru.	Promotion of Education	Y	Karnataka	Dakshina Kannada	4.61	Y	--	NA
22	Furniture & Stationery Materials for Govt. Residential School for Tribes, Hornadu	Promotion of Education	Y	Karnataka	Dakshina Kannada	0.48	Y	--	NA
23	Furniture Items to Dk Zp Hr. Pry School, Bantwal Taluk, Dakshina Kannada	Promotion of Education	Y	Karnataka	Dakshina Kannada	0.33	Y	-	NA

(1) SI No	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/ No).	(5) Location of the project.		(6) Amount spent for the project (₹ in Lakhs)	(7) Mode of implementation - Direct (Yes/ No).	(8) Mode of implementation - Through implementing agency.	
				State	District			Name.	CSR registration number.
24	Scholarship to Children Studying in Govt. Schools And Colleges in & Around Mangaluru	Promotion of Education	Y	Karnataka	Dakshina Kannada	0.98	Y	--	NA
25	05 Desktop Computers to Govt. First Grade College for Women, Balmata, Mangalore	Promotion of Education	Y	Karnataka	Dakshina Kannada	1.99	Y	--	NA
26	Medical text books to 20 Meritorious MBBS Students from Socio-Economically poor & rural background to support their Higher Education	Promotion of Education	Y	Karnataka	Bengaluru	1	Y	--	NA
27	Providing Computers, Printers, Scanners, Xerox Machine to Each Govt. Schools [06 Schools] coming under Narasingapura Gram Panchayath, Sandur	Promotion of Education	Y	Karnataka	Bellary	6.52	Y	--	NA
28	10 Deskop Computers to Kaginele Mahasansthana Kanaka Guru Peeta, Raichur District, Karnataka	Promotion of Education	N	Karnataka	Raichur	4.22	Y	--	NA
29	Provision of Lab Equipments & Furnitures to Girls PU College, Sandur, Bellary District	Promotion of Education	Y	Karnataka	Bellary	3.14	Y	--	NA
30	Financial Assistance for Education of Poor Girl Student to Pursue Her Higher Education	Promotion of Education	Y	Karnataka	Bengaluru	0.68	Y	--	NA
31	Drinking Water Facility to Anganwadi Centres in Yadgir District-Aspirational District	Drinking Water	N	Karnataka	Yadgir	15	Y	--	NA
32	Pure Drinking Water Facility with Reverse Osmosis Plant in PNS School, Koramangala, Bengaluru	Drinking Water	[Aspirational District]	Karnataka	Bengaluru	4.28	Y	--	NA
33	Pure Drinking Water Facility to Govt High School, Near APMC, Sandur, Bellary District	Drinking Water	Y	Karnataka	Bellary	1.48	Y	--	NA
34	Financial Assistance Towards Construction of Gow Shala at Shree Bharathi Group of Institutions, Nanthoor Padav, Mangaluru	Animal Welfare	Y	Karnataka	Dakshina Kannada	7.50	Y	--	NA
35	Balance amount towards Registration & Insurance of 05 Bolero Vehicles which was provided to Forest Department for Protection of Forest & Wild Life, Ecological Balance of The Forest Eco-Systems Etc.	Protection of Flora and Fauna/ Animal Welfare	Y	Karnataka	Bengaluru	1.70	Y	-	NA
36	Financial Assistance for creation of Miyawaki Forests-New Urban Green Spaces in Mangaluru City Under Environment Sustainability	Environment Sustainability	Y	Karnataka	Dakshina Kannada	15	Y	--	NA

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl No	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (₹ in Lakhs)	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	District			Name.	CSR registration number.
37	Financial Assistance for Conducting National Level Chess Tournament at Mangaluru	Promotion of Sports	Y	Karnataka	Dakshina Kannada	10	Y	--	NA
38	Financial Assistance to Set Up Vocational Training Centre in LBJP Inter College Tilhar U.P. to Provide Vocational Training for Skill Development to Students And Local Area Youth	Skill Development	Y	Uttar Pradesh	Tilhar	10	Y	--	NA
39	Financial assistance for organizing Tribal Festival in Ram Nagar, Mandla District, Madhya Pradesh	Measures For Reducing Inequalities Faced by Socially & Economically Backward Groups	N	Madhya Pradesh	Mandla	5	Y	--	NA
40	Procurement & Supply of National Flags & Outreach Programs to Support "Har Ghar Tiranga Campaign" Under The Aegis of Azadi Ka Amrit Mahotsav of Govt. of India	Har Ghar Tiranga Campaign	Y	Karnataka	Bengaluru & Mangaluru	0.87	Y	--	NA
<b>Total</b>						<b>358.88</b>	<b>-</b>	<b>-</b>	<b>-</b>

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹554.98 Lakhs

(g) Excess amount for set off, if any: - NIL

Sl. No.	Particular	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the Company as per Section 135	₹589.96 lakhs
(ii)	Total amount spent for the Financial Year	₹554.98 lakhs
(iii)	Excess amount spent for the Financial Year	NIL
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous Financial Years, if any	NIL
(v)	Amount available for set off in succeeding financial years(iii)-(iv)	NIL

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

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

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl No	Project ID	Name of the Project	Financial Year in Which Project is commenced	Project Duration	Total amount allocated for the project (₹ in lakhs)	Amount Spent on the project in the reporting Financial Year (₹ in lakhs)	Cumulative amount spent at the end of reporting Financial Year (₹ in lakhs)	Status of the project Completed/ Ongoing
1					NIL			

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

(a) Date of creation or acquisition of the capital asset(s) : NIL

(b) Amount of CSR spent for creation or acquisition of capital asset : NIL

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) : Not Applicable

## 11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

For and on behalf of the Board of Directors

Sd/-  
**(T Saminathan)**  
[Chairman-cum-Managing Director]

Sd/-  
**(Dr. Usha Narayan)**  
[Chairperson, CSR Committee]



# Business Responsibility & Sustainability Report

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L13100KA1976GOI002974
2	Name of the Listed Entity	KIOCL Limited
3	Year of incorporation:	April 2, 1976
4	Registered office address:	II Block, Koramangala, Bengaluru - 560034
5	Corporate address:	II Block, Koramangala, Bengaluru - 560034
6	E-mail:	cs@kioclltd.in
7	Telephone:	080-25531525
8	Website:	www.kioclltd.in
9	Financial year for which reporting is being done.	2022-23
10	Name of the Stock Exchange(s) where shares are listed.	<p><b>1. National Stock Exchange of India Ltd.</b> Exchange Plaza, C-1, Block G, BKC, Bandra (E) Mumbai – 400 051</p> <ul style="list-style-type: none"> <li>Scrip Code: KIOCL</li> </ul> <p><b>2. BSE Ltd.</b> 25<sup>th</sup> Floor, P.J. Towers, Dalal Street, Fort, Mumbai – 400 001</p> <ul style="list-style-type: none"> <li>Scrip Code: 540680</li> </ul> <p><b>3. Metropolitan Stock Exchange of India Ltd.</b> Vibgyor Towers, 4<sup>th</sup> Floor, Plot No. C 62, G-Block, BKC, Bandra (E), Mumbai – 400 098</p> <ul style="list-style-type: none"> <li>Scrip Code: KIOCL</li> </ul>
11	Paid-up Capital:	₹607.75 Crore
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report.	<p>Name: Shri Ganti Venkat Kiran, Director (Production &amp; Projects)</p> <p>Telephone: 080-25535892</p> <p>email id: dpp@kioclltd.in</p>
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone.

## II. Products/services

### 14. Details of business activities (accounting for 90% of the turnover):

S.No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Metal and Metal products	98%

### 15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S.No.	Product/Service	NIC Code	% of total Turnover contributed
1	Iron Ore Pellets	0710	98%

## III. Operations

### 16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	2	9*	11
International	0	0	0

\*Corporate Offices – 1(Bengaluru), Site/Liasioning- 8 (Mangaluru, Kudremukh, Bachel, Chikkanayakanahalli, New Delhi, Sandur, Visakhapatnam & Kaliapani)

### 17. Markets served by the entity:

#### a) Number of locations

Locations	Numbers
National (No. of States)	5
International (No. of Countries)	6

#### b) What is the contribution of exports as a percentage of the total turnover of the entity?

88%

#### c) A brief on types of customers

- Export Customer (Trade segment/End-user segment)
- Domestic Customer (Trade segment/End-user segment)

## IV. Employees

### 18. Details as at the end of Financial Year:

#### a) Employees and workers (including differently abled):

S. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B/A)	No. (C)	% (C/A)
<b>EMPLOYEES</b>						
1	Permanent (D)	236	215	91	21	9

S. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B/A)	No. (C)	% (C/A)
2	Other than Permanent (E)	84	69	82	15	18
3	Total employees (D + E)	320	284	89	36	11
<b>WORKERS</b>						
4	Permanent (F)	418	415	99	3	1
5	Other than Permanent (G)	969	879	91	90	9
6	<b>Total workers (F + G)</b>	<b>1387</b>	<b>1294</b>	<b>93</b>	<b>93</b>	<b>7</b>

**b) Differently abled Employees and workers:**

S. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B/A)	No. (C)	% (C/A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1	Permanent (D)	7	7	100	0	0
2	Other than Permanent (E)	0	0	0	0	0
3	Total differently abled employees (D + E)	7	7	100	0	0
<b>DIFFERENTLY ABLED WORKERS</b>						
4	Permanent (F)	4	4	100	0	0
5	Other than permanent (G)	0	0	0	0	0
6	<b>Total differently abled workers (F + G)</b>	<b>4</b>	<b>4</b>	<b>100</b>	<b>0</b>	<b>0</b>

**19. Participation/Inclusion/Representation of women**

	Total	No. and percentage of Females	
	(A)	No. (B)	% (B/A)
Board of Directors	6*	2	33.33
Key Management Personnel	1	0	0

\*Including Chairman-cum-Managing Director & Director (Finance), who are also KMPs.

**20. Turnover rate for permanent employees and workers**

(Disclose trends for the past 3 years)

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Permanent Employees</b>	11%	5%	16%	9%	6%	15%	14%	6%	20%
<b>Permanent Workers</b>	8%	0%	8%	7%	0%	7%	8%	15%	23%

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

### 21. (a) Names of holding/subsidiary/associate companies/joint ventures

S. No.	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether holding/Subsidiary/Associate/Joint Venture	% Of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
Nil				

## VI. CSR Details

### 22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in ₹): 15,43,41,60,797

(iii) Net worth (in ₹): 20,02,03,67,284

## VII. VII. Transparency and Disclosures Compliances

### 23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes <a href="https://kioclltd.in/data.php?id=386&amp;lang=EN">https://kioclltd.in/data.php?id=386&amp;lang=EN</a>	55	0	--	63	0	--
Investors (other than shareholders)	Yes <a href="https://kioclltd.in/data.php?id=343">https://kioclltd.in/data.php?id=343</a>	0	0	--	0	0	--
Shareholders	Yes <a href="https://kioclltd.in/data.php?id=343">https://kioclltd.in/data.php?id=343</a>	0	0	--	0	0	--
Employees and workers	Yes <a href="https://kioclltd.in/data.php?id=386">https://kioclltd.in/data.php?id=386</a>	0	0	--	0	0	--
Customers	Yes <a href="https://kioclltd.in/data.php?id=386&amp;lang=EN">https://kioclltd.in/data.php?id=386&amp;lang=EN</a>	0	0	--	0	0	--
Value Chain Partners	Yes <a href="https://kioclltd.in/data.php?id=386&amp;lang=EN">https://kioclltd.in/data.php?id=386&amp;lang=EN</a>	0	0	--	0	0	--



## 24. Overview of the entity's material responsible business conduct issues.

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Raw Material and Market Reach	R	Higher Price of Raw Material Limited International markets	1. Explore captive sources of raw material usage. 2. Exploring new market segments.	Negative
2	Renewable and clean energy	O	Higher Cost of Energy	1. Feasibility analysis for solar projects completed and new projects..	Positive
3	Water consumption and effluent discharge	R	100% dependency on raw water from Kudremukh Dam	1. Minimizing freshwater consumption by upgrading and O&M of existing water treatment to increase efficiency 2. Reusing treated wastewater from sewage and effluents for industrial purpose	Negative
4	Air Emissions/ Green House Gas Emissions	R	Govt Regulations and norms for Air Emissions	1. Installation of state-of-the-art dust control technology (Pellet Plant) 2. Upgradation of existing air pollution control equipment (Pellet Plant)	Negative

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

The National Guidelines for Responsibility Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

<b>PRINCIPLE 1:</b>	<b>PRINCIPLE 2:</b>	<b>PRINCIPLE 3:</b>
Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.	Businesses should provide goods and services in a manner that is sustainable and safe.	Businesses should respect and promote the well-being of all employees, including those in their value chains.
<b>PRINCIPLE 4:</b>	<b>PRINCIPLE 5:</b>	<b>PRINCIPLE 6:</b>
Businesses should respect the interests of and be responsive to all its stakeholders.	Businesses should respect and promote human rights.	Businesses should respect and make efforts to protect and restore the environment.
<b>PRINCIPLE 7:</b>	<b>PRINCIPLE 8:</b>	<b>PRINCIPLE 9:</b>
Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.	Businesses should promote inclusive growth and equitable development.	Businesses should engage with and provide value to their consumers in a responsible manner.

SN	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>										
1	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c. Web Link of the Policies, if available	<a href="https://kioclltd.in/table.php?id=282">https://kioclltd.in/table.php?id=282</a>								
2	Whether the entity has translated the policy into procedures. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

3	Do the enlisted policies extend to your value chain partners? (Yes/No)	No	No	No	No	No	No	No	No	No
4	Name of the national and international codes/ certifications/ labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	-	ISO 9001 ISO 14001 ISO 45001	ISO 45001	-	-	ISO 14001	-	-	ISO 9001
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Nil								
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Not Applicable (NA)								
<b>Governance, leadership, and oversight</b>										
7	Statement by Director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure) KIOCL being a Mini Ratna Category 1 PSU is dedicated to achieving sustainability in terms of Environment, Social, Governance (ESG) aspects. The environmental stewardship of KIOCL is aware of its role and duties in mitigating the impact of climate change. KIOCL, being a responsible corporate organization, is fully conscious of its duties towards society. The company gives a lot of emphasis on Corporate Governance.									
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Director (Production & Projects) Telephone: 080-25535892 email id: dpp@kioclltd.in								

9	Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	Yes Director (Production and Projects)
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**10 Details of Review of NGRBCs by the Company.**

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board /Any other Committee									Frequency (Annually/Half yearly/Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action										Annually								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes									
Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	<b>P1</b>	<b>P2</b>	<b>P3</b>	<b>P4</b>	<b>P5</b>	<b>P6</b>	<b>P7</b>	<b>P8</b>	<b>P9</b>									
	No	No	No	No	No	No	No	No	No									

**12. If answer to question (1) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated:**

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
It is planned to be done in the next financial year (Yes/No)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Any other reason (please specify)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.



## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

### PRINCIPLE 1

**Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

#### Essential Indicators

##### 1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	2	Principle 1, 7	100
Key Managerial Personnel (KMP)	2	Principle 1, 7	100
Employee other than BoD and KMPs	32	Principle 1	100
Workers	Nil	Nil	Nil

##### 2. Details of fines/penalties /punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity’s website)

Monetary					
	NGRBC principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (₹)	Brief of the Case	Has an appeal been preferred (Yes/No)
Penalty/Fine	Nil	NA	NA	NA	NA
Settlement	Nil	NA	NA	NA	NA
Compounding fee	Nil	NA	NA	NA	NA
Non- Monetary					
	NGRBC principle	Name of the regulatory/enforcement agencies/judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment	Nil	NA	NA	NA	
Punishment	Nil	NA	NA	NA	

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
	NA

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The company has a Code of Conduct & Ethics for the Board of Directors and Senior Management Personnel. The same is available on the website of the company at: <https://kioclltd.in/table.php?id=384&lang=EN>

In addition, the company has a Whistle Blower policy. The same is available on the website of the company at: <https://kioclltd.in/table.php?id=279&lang=EN>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

	FY 2022-23	FY 2021-22
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

6. Details of complaints with regard to conflict of interest

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of conflict of interest of the KMP's	0	-	0	-

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

NA

#### Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
3	Principle 1, 4, 8	90%

2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes, KIOCL has a Code of Conduct policy. The purpose of this policy to enhance further scope of good Corporate Governance with an ethical and transparent process in managing the affairs of the company.

## PRINCIPLE 2

**Businesses should provide goods and services in a manner that is sustainable and safe.**

### Essential Indicators

- Percentage of R&D and capital expenditure (CAPEX) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and CAPEX investments made by the entity, respectively.

	2022-23	2021-22	Details of improvements in environmental and social impacts
R&D	0.00%	0.00%	-
CAPEX	2.78%	0.02%	1. Prepared Techno-Commercial feasibility report for Coke shed. 2. Constructed Coke Shed, resulted in reduction in water pollution due to Coke.

- Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes, the company has a well-documented Procurement Manual, Contracts Manual and projects manual.

**b. If yes, what percentage of inputs were sourced sustainably? 100%**

- Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

<b>Plastics (including packaging)</b>	N.A.
<b>E-waste</b>	The generated E-waste is sold to CPCB and KSPCB authorized agencies.
<b>Hazardous Waste</b>	The generated Hazardous Waste is sold to CPCB and KSPCB authorized agencies.
<b>Other Waste</b>	Scrap lead Acid Batteries are sold to the CPCB and KSPCB authorized agencies.

- Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities.**

No.

**If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

N.A.

### Leadership Indicators

- Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)?

No

**If yes, provide details in the following format?**

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No). If yes provide the web link
N.A.					

3. 3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23	FY 2021-22
Pellet Fines	2 %	2 %

**PRINCIPLE 3**

Businesses should respect and promote the well-being of all employees, including those in their value chains.

**Essential Indicators**

1. a. Details of measures for the well-being of employees

Category	Total (A)	% Of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
<b>PERMANENT EMPLOYEES</b>											
Male	215	215	100	215	100	N.A.	--	215	100	0	0
Female	21	21	100	21	100	21	100	N.A.	--	0	0
<b>Total</b>	<b>236</b>	<b>236</b>	<b>100</b>	<b>236</b>	<b>100</b>	<b>21</b>	<b>9</b>	<b>215</b>	<b>91</b>	<b>0</b>	<b>0</b>
<b>OTHER THAN PERMANENT EMPLOYEES</b>											
Male	69	69	100	69	100	N.A.	--	N.A.	--	0	0
Female	15	15	100	15	100	15	100	N.A.	--	0	0
<b>Total</b>	<b>84</b>	<b>84</b>	<b>100</b>	<b>84</b>	<b>100</b>	<b>15</b>	<b>18</b>	<b>NA</b>	<b>--</b>	<b>0</b>	<b>0</b>

b. Details of measures for the well-being of workers:

Category	Total (A)	% OF WORKERS COVERED BY									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
<b>PERMANENT EMPLOYEES</b>											
Male	415	415	100	415	100	N.A.	--	415	100	0	0
Female	3	3	100	3	100	3	100	N.A.	--	0	0
<b>Total</b>	<b>418</b>	<b>418</b>	<b>100</b>	<b>418</b>	<b>100</b>	<b>3</b>	<b>1</b>	<b>415</b>	<b>99</b>	<b>0</b>	<b>0</b>
<b>OTHER THAN PERMANENT EMPLOYEES</b>											
Male	879	879	100	879	100	N.A.	--	N.A.	--	0	0
Female	90	90	100	90	100	90	100	N.A.	--	0	0
<b>Total</b>	<b>969</b>	<b>969</b>	<b>100</b>	<b>969</b>	<b>100</b>	<b>90</b>	<b>9</b>	<b>NA</b>	<b>--</b>	<b>0</b>	<b>0</b>



## 2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Others (Medical, Pension)	100%	100%	Y	100%	100%	Y

## 3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes.

## 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

No.

## 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers	Yes, Any Employee who seeks to convey her/his grievances to the company can contact the concerned Department Head, through landline or through post. They may also register their complaints online by filling the Online Grievance form at <a href="https://kioclltd.in/data.php?id=386&amp;lang=EN">https://kioclltd.in/data.php?id=386&amp;lang=EN</a>
Other than Permanent Workers	
Permanent Employees	If the complainant is still not redressed through the company's mechanism, they can use CPGRAMS Link for lodging the grievance <a href="https://pgportal.gov.in/">https://pgportal.gov.in/</a>
Other than Permanent Employees	

## 7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2022-23			FY 2021-22		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	236	173	73	238	181	76
Male	215	161	75	219	169	77
Female	21	12	57	19	12	63
Total Permanent Workers	418	400	96	461	435	94
Male	415	397	96	457	431	94
Female	3	3	100	4	4	100

## 8. Details of training given to employees and workers: (permanent)

Category	FY 2022-23					FY 2021-22				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>EMPLOYEES</b>										
Male	215	215	100	215	100	219	219	100	219	100
Female	21	21	100	21	100	19	19	100	19	100
<b>Total</b>	<b>236</b>	<b>236</b>	<b>100</b>	<b>236</b>	<b>100</b>	<b>238</b>	<b>238</b>	<b>100</b>	<b>238</b>	<b>100</b>
<b>WORKERS</b>										
Male	415	59	14	148	36	457	457	100	457	100
Female	3	1	33	3	100	4	4	100	4	100
<b>Total</b>	<b>418</b>	<b>60</b>	<b>14</b>	<b>151</b>	<b>36</b>	<b>461</b>	<b>461</b>	<b>100</b>	<b>461</b>	<b>100</b>

## 9. Details of performance and career development reviews of employees and workers.

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>EMPLOYEES</b>						
Male	215	12	6	219	52	24
Female	21	4	19	19	0	0
<b>Total</b>	<b>236</b>	<b>16</b>	<b>7</b>	<b>238</b>	<b>52</b>	<b>22</b>
<b>WORKERS</b>						
Male	415	119	29	457	110	24
Female	3	2	67	4	3	75
<b>Total</b>	<b>418</b>	<b>121</b>	<b>29</b>	<b>461</b>	<b>113</b>	<b>25</b>

## 10. Health and safety management system:

### a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?

Yes, Occupational health and safety management systems ISO 45001:2018 is implemented for Production and Dispatch of Iron Ore Pellets and Pig Iron.

### b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The following processes are used to identify Work-related Hazards & Assess Risks on a routine and non-routine basis by the Company:

- Hazard Identification and Risk Assessment.
- Safety management Plan.
- Check List.
- Safety Inspections/Observations.
- Accident investigation.
- Near miss reporting and findings.
- Interactions with Employees (daily during walk through).
- Meeting of Safety committee.
- Observation by workman inspectors.

### c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N).

Yes.

### d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No).

Yes.

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0.298	0.719
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities (safety incident)	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

KIOCL has Occupational health and safety management systems ISO 45001:2018 in place and it sets out KIOCL's commitment to manage health and safety of its employees and workers effectively. Standard Operating Procedures are also available across the various operations and maintenance activities.

In addition, regularly toolbox talks are conducted on the work spot. Premises are inspected fortnightly/weekly by safety department personnel and identified gaps are addressed on priority. A safety committee is in place which includes representation from workers and safety performance is reviewed quarterly. External safety audits are conducted through the National Safety Council as per IS 14489. Periodic health checkup of employees is carried out.

**13. Number of complaints on the following made by employees and workers:**

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	12	0	-	9	0	-
Health and safety	71	0	-	44	0	-

**14. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.**

Nil

**Leadership Indicators**

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N)  
(B) Workers (Y/N)

Employees	Yes
Workers	Yes



**4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No).**

No

**PRINCIPLE 4**

**Businesses should respect the interests of and be responsive to all its stakeholders.**

**Essential Indicators**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

Stakeholders	Identification Process
Investors/Shareholders	The Board & Co-ordination Department in Co-ordination with RTA. Identifies the Key Investors/Shareholders.
Government/Regulatory Bodies	Identified with respect to the applicable rules and regulation and the concerned Departments of company co-ordinate with their respective Government/Regulatory Bodies.
Media	The Corporate Communication Department of the company co-ordinates with the Print & Digital Media.
Customers	Buyers desirous of procuring iron ore pellets need to empanel themselves by furnishing requisite details sought in the web link: <a href="https://www.kioclld.in/table.php?id=315">https://www.kioclld.in/table.php?id=315</a> . against 'Invitation for Expression of Interest' Empanelment is an incessant process and renewable every 3 years
Suppliers, Dealers, Contractors, Transporters	Through EOI and vendor registration

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/ Half yearly/ Quarterly/others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Community	Yes	Request letters- Emails, Community Meetings	Quarterly	Basic Infrastructure development like dysfunctional toilets, Drinking water, Health care facilities and medical equipment
Government Authorities (Block and District Govt. Officials)	No	Meetings, Emails, Letters	Quarterly	Provide updates on progress of CSR projects
Industrial Customers	No	Meetings, conference	Regular	Demand Assessment, sales
Employees	No	Discussion forums, Emails, Letters	Regular	Grievance and Feedback
Value Chain Partners	No	Email, vendor Meet	Half yearly	Updating the processes, engagement

## Leadership Indicators

### 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

Yes, KIOCL is having Board level CSR committee, headed by an Independent Director and followed by an internal committee. The internal CSR committee identifies & discusses with key stakeholders about implementation of CSR projects based on the request received from various stake holders such as local communities, educational institutes, Hospitals, District Authorities etc. Key Stakeholders are by & large identified from local areas, Aspirational Districts etc. The CSR board quarterly monitor and review the progress.

## PRINCIPLE 5

Businesses should respect and promote human rights.

### Essential Indicators

#### 1. Employees and workers who have been provided training on human rights issues and policy (ies) of the entity, in the following format:

	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees covered (B)	% (B/A)	Total (C)	No. of employees covered (D)	% (D/C)
<b>EMPLOYEES</b>						
Permanent	236	236	100	238	238	100
Other than permanent	84	84	100	85	85	100
<b>Total Employees</b>	<b>320</b>	<b>320</b>	<b>100</b>	<b>323</b>	<b>323</b>	<b>100</b>
<b>WORKERS</b>						
Permanent	418	418	100	461	461	100
Other than permanent	969	0	0	698	0	0
<b>Total Workers</b>	<b>1387</b>	<b>418</b>	<b>30</b>	<b>1159</b>	<b>461</b>	<b>40</b>

#### 2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	Equal to Minimum Wage			More than Minimum Wage		Equal to Minimum Wage			More than Minimum Wage	
	Total (A)	No. (B)	% (B/A)	No. (C)	% (C/A)	Total (D)	No. (E)	% (E/D)	No. (F)	% (F/D)
<b>EMPLOYEES</b>										
<b>Permanent</b>	236	Nil	--	236	100	238	Nil	--	238	100
<b>Male</b>	215	Nil	--	215	100	219	Nil	--	219	100
<b>Female</b>	21	Nil	--	21	100	19	Nil	--	19	100
<b>Other than Permanent</b>	84	Nil	--	84	100	85	Nil	--	85	100
<b>Male</b>	69	Nil	--	69	100	69	Nil	--	69	100
<b>Female</b>	15	Nil	--	15	100	16	Nil	--	16	100

Category	FY 2022-23					FY 2021-22				
	Equal to Minimum Wage			More than Minimum Wage		Equal to Minimum Wage			More than Minimum Wage	
	Total (A)	No. (B)	% (B/A)	No. (C)	% (C/A)	Total (D)	No. (E)	% (E/D)	No. (F)	% (F/D)
<b>WORKERS</b>										
<b>Permanent</b>	418	Nil	--	418	100	461	Nil	--	461	100
<b>Male</b>	415	Nil	--	415	100	457	Nil	--	457	100
<b>Female</b>	3	Nil	--	3	100	4	Nil	--	4	100
<b>Other than Permanent</b>	969	Nil	--	969	100	698	Nil	--	698	100
<b>Male</b>	879	Nil	--	879	100	636	Nil	--	636	100
<b>Female</b>	90	Nil	--	90	100	62	Nil	--	62	100

**3. Details of remuneration/salary/wages, in the following format:**

	Male		Female	
	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/salary/wages of respective category
<b>Board of Directors (BoD)</b>	4	68,93,385	0	N.A.
<b>Key Managerial Personnel</b>	1	25,04,142	0	N.A.
<b>Employees other than BoD and KMP*</b>	214	23,80,667	21	13,26,847
<b>Workers</b>	436	15,84,724	4	10,09,839

NOTE: Govt. Nominee Directors are not considered for remuneration as they are not entitled for any sitting fees or remuneration. KIOCL is having two Independent Directors including one Women Independent Director and two Govt. Nominee Directors including one Women Govt. Nominee Director. Further, Independent Directors are Entitled for sitting fees only

**4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, HR department has policies which ensures implementation of human rights as per applicable guidelines. Issues raised under human rights are addressed by the HoD, HR Department.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

Any Employee who seeks to convey her/his grievances to the company can contact the Director Grievances personally, through landline or through post. They may also register their complaints online by filling the Online Grievance form at <https://kioclltd.in/data.php?id=386&lang=EN>

If the complainant is still not redressed through the company's mechanism, they can use CPGRAMS Link for lodging the grievance <https://pgportal.gov.in/>

**6. Number of Complaints on the following made by employees and workers:**

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	0	--	--	0	--	--
Discrimination at workplace	0	--	--	0	--	--
Child Labor	0	--	--	0	--	--
Forced Labor/Involuntary Labor	0	--	--	0	--	--
Wages	0	--	--	0	--	--
Other human rights related issues	0	--	--	0	--	--

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

To prevent the adverse consequences to the complainant in discrimination and harassment cases, the willing complainants are transferred to different section/department/Unit/Office.

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes

**9. Assessments for the year:**

	% of offices that were assessed (by entity or statutory authorities or third parties)
Child labor	100%
Forced/involuntary labor	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	N.A.

**10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above**

N.A.

**Leadership Indicator**

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes

## PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment.

### Essential Indicators

#### 1. Details of total energy consumption (in Giga Joules) and energy intensity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	330267	514492
Total fuel consumption (B)	792176	1228567
Energy consumption through other sources (C)	52583	57040
Total energy consumption (A+B+C)	1175026	1800099
Energy intensity per rupee of turnover	0.000076	0.000060

Parameter	FY 2022-23	FY 2021-22
Energy intensity per Metric Tonne of Pellet Production	0.7782	0.8867

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? Yes

If yes, name of the external agency.: National Productivity Council, New Delhi

#### 2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N)

No

If yes, disclose whether targets set under the PAT scheme have been achieved. (Y/N).

#### 3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
<b>Water withdrawal by source (in kiloliters)</b>		
(i) Surface water	1087313	1169027
(ii) Groundwater	4520	4170
(iii) Third party water	13274	13733
(iv) Seawater/desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	1105107	1186930
Total volume of water consumption (in kiloliters)	1078736	1160401
Water intensity per rupee of turnover	0.000070	0.000039
Water intensity per Metric Tonne of Pellet Production	0.7144	0.5716

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? No

#### 4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, KIOCL implemented Zero liquid Discharge Mechanism.

KIOCL has adequate Effluent treatment facilities, and 100% sewage is treated using MBR technology. Water conservation by recycling 100% treated process water for process use, supplied to BFU, Green Belt Development and housekeeping etc.



5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	unit	FY 2022-23	FY 2021-22
NOx	µg/m <sup>3</sup>	N.A.	N.A.
SOx	µg/m <sup>3</sup>	N.A.	N.A.
Particulate matter (PM)	Metric Tonnes	350570	494296
Persistent organic pollutants (POP)	--	N.A.	N.A.
Volatile organic compounds (VOC)	--	N.A.	N.A.
Hazardous air pollutants (HAP)	--	N.A.	N.A.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? No

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	unit	GHG Emissions FY 2022-23	GHG Emissions FY 2021-22
Total Scope 1 emissions	Metric tonnes of CO <sub>2</sub> equivalent	58729	91072
Total Scope 2 emissions	Metric tonnes of CO <sub>2</sub> equivalent	74769	116475
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO <sub>2</sub> equivalent/INR	0.0000086	0.0000069
Total Scope 1 and Scope 2 emissions intensity per Metric tonnes of production	MTCO <sub>2</sub> e/Metric tonne	0.0884	0.1022

Note: Emission factor is from Central Electricity Authority, CO<sub>2</sub> baseline Database version 18 and IPCC Guidelines for National Greenhouse Gas Inventories has been referred to calculate GHG emissions.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? Yes

If yes, name of the external agency.: National Productivity Council, New Delhi

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Yes, Operational Solar Power Plant of 6.4 MW and Wind energy (4.6 million units) is purchased. In clean energy initiatives, work allotted to M/s. EIL on Fuel switches over from Furnace oil to LNG for Sintering of Pellets is under progress.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
<b>Total Waste generated (in Metric Tons)</b>		
Plastic waste (A)	4.63	18.99
E-waste (B)	1.48	0
Bio-medical waste (C)	0.27	0.28
Construction and demolition waste (D)	0	0
Battery waste (E)	0.337	0
Radioactive waste (F)	N.A.	N.A.
Other Hazardous waste. Please specify, if any. (G)	0	0
Other Non-hazardous waste generated (H). Rubber & Metal Scrap	458.49	793.65
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>465.207</b>	<b>812.92</b>

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in Metric Tons)

Parameter	FY 2022-23	FY 2021-22
<b>Category of waste</b>		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
For each category of waste generated, total waste disposed by nature of disposal method (in Metric Tons)		
<b>Category of waste</b>		
(i) Incineration	0.27	0.28
(ii) Landfilling	0	0
(iii) Other disposal operations (Handed over to Authorized Recyclers)	45.097	36.58
<b>Total</b>	<b>45.367</b>	<b>36.86</b>

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? No

**9. Briefly describe the waste management practices adopted in your establishments.**

- E-Waste handed over to party authorized by KSPCB.
- Biomedical waste handed over to CBWTF authorized by KSPCB.
- Hazardous waste handed over to parties authorized by KSPCB. The used oil is extensively reused for lubricating the Pellet car in Pellet Plant.
- Solid waste- Regular collection of metal scrap and packaging material and disposal to local vendors.
- Clarifier underflow containing iron concentrate and additives received from filtration process and floor washes is recycled back to the filtration process.
- Dry dust collected in the multi cyclones system and fugitive dust collection system is collected and reused in the process.
- The pellet fines (2% of pellet production) are recycled in the process after Re-grinding.

**Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

N.A.

**10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:**

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
		N.A.	

**11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the**

current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
N.A.					

12. Is the entity compliant with the applicable environmental law/regulations/guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).

Yes

If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law/regulation/guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
N.A.				

### Leadership Indicators

1. Provide break-up of the total energy consumed (in Giga Joules) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23	FY 2021-22
<b>From renewable sources</b>		
Total electricity consumption (A)	52583	57040
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>52583</b>	<b>57040</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D)	330267	514492
Total fuel consumption (E)	792176	1228567
Energy consumption through other sources (F)	0	0
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>1122443</b>	<b>1743059</b>

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? Yes

If yes, name of the external agency.: National Productivity Council, New Delhi

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emission/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Recycling of sewerage water in the STP	45 KLD recycled sewerage water is reused in the process.	Water Conservation
2	Reprocessing of Iron ore fines in the Pellet Plant	Around 2% of Pellet Production is Pellet Fines (Size < 5 MM). These Pellet Fines are reground in Ball Mills and Re processed.	Resource Conservation
3	Reprocessing of Wet Scrubber Effluent	The scrubbed effluent from Wet scrubbers connected to Chimneys in PP is diverted to the Thickener. The thickened slurry containing solids (Iron Particles) is pumped to PF for recycling the same in the Process.	Resource Conservation
4	Fuel switches over from Furnace oil to LNG for Sintering of Pellets (Engg. study for Implementation)	Work order awarded to M/s. EIL on June 2022.	Clean Energy adoption. Study is under Progress.

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.

Yes, Weblink : <https://www.kioclltd.in/assets/uploads/kiocl-disaster-management-plan-compressed.pdf>

## PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

### Essential Indicators

1. a. Number of affiliations with trade and industry chambers/associations.
- b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body the entity is a member of/affiliated to.

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1	Standing Conference of Public Enterprises	National
2	Export Promotion Council for EoUs; s & SEZ Units	National
3	Federation of Indian Export Organization	National
4	Institute of Directors	National
5	Pellet Manufacturers Association of India	National
6	Federation of Indian Mineral Industries	National
7	Federation of Karnataka Chambers of Commerce & Industry	State
8	Institute of Economic Studies	National
9	Indian National Trust for Art & Cultural Heritage	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of Authority	Brief of Case	Corrective Action taken
	Nil	

## PRINCIPLE 8

Businesses should promote inclusive growth and equitable development.

### Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes /No)	Results communicated in public domain (Yes/No)	Relevant Web link
Nil					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
Nil						

3. Describe the mechanisms to receive and redress grievances of the Local community.

Communities having complaints or grievances can interact with the organization through the Chief General Manger (HR) for Public Grievance/Dispute settlements. The complainant can approach these officers in person or through written complaints or communicate through e-mail or contact on telephones. <https://kioclltd.in/data.php?id=386&lang=EN>

If a complainant is still not able to get the complaint redressed through the company's mechanism of Consumer grievances, click CPGRAMS. <https://pgportal.gov.in/>

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/small producers	39.15%	33.93%
Sourced directly from within the district and neighboring districts	21.68%	24.54%

### Leadership Indicator

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies.

S. No.	State	Aspirational Districts	Amount spent (in ₹)
1	Karnataka	Yadgir	15,00,000



**3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? (Yes/No)**

Yes.

**(b) From which marginalized/vulnerable groups do you procure?**

SC/ST, Women Entrepreneurs

**(c) What percentage of total procurement (by value) does it constitute?**

SC/ST - 2.68%

Women Entrepreneurs - 3.62%

**6. Details of beneficiaries of CSR Projects (FY 2022-23)**

S. No.	CSR Project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalized groups
1	Financial assistance for organizing tribal festival in Ramnagar, Mandla district, Madhya Pradesh	3000	100%
2	Financial assistance for providing aluminium partition wall and granite platform to microbiology lab at Sir C. V. Raman general hospital, Bengaluru	300	100%
3	Providing 7 no's wheelchairs-such as paediatric, electric/ motorized and basic reclining wheelchairs to St. Johns Medical & Charitable hospital, Koramangala, Bengaluru to help paediatric patients and patients with special need	100	100%
4	Drinking water facility to Anganwadi centres in Yadgir district-aspirational district	1000	100%
5	Pure drinking water facility with reverse osmosis plant in PNS school, Koramangala, Bengaluru	500	90%
6	Provision of medical textbooks to 20 meritorious MBBS students from socio-economically poor & rural background to support their higher education	20	100%
7	Financial assistance to set up vocational training centre in LBJP Inter college Tilhar U.P. to provide vocational training for skill development to students and local area youth	360	90%
8	Providing computers, printers, scanners, xerox machine to each govt schools [03 schools] coming under Narasingapura gram panchayath, Sandur [around 10 computers, printers, scanners, xerox machine inclusive of all schools]	1000	100%
9	Renovation of govt.drug resistant tuberculosis hospital (drtb) in Bellry district in order to support national tuberculosis elimination programme-[renovation of OPD cum consultaion block & kitchen]	250	100%
10	Construction of one classroom in Sasya Shamala educational society at Hospet, Karnataka	150	100%

S. No.	CSR Project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalized groups
11	Providing one no. Mahindra bolero neo /Mahindra bolero vehicle to childline 1098 Dakshina Kannada District for the benefit of children who are orphans, economically backward etc	--	--
12	300 ma cr system for community health centre, Vamadapadavu (x-ray machine) as per the request received from health & family welfare dept.	250	100%
13	Financial assistance towards providing food, shelter, clothing, education and medicine to children accommodated at Mangala Seva Samithi, orphanage (Bala Samrakshna Kendra)	100	100%
14	Repair of ANMTC building at Wenlock Hospital, Mangaluru	100	100%
15	Financial assistance for procuring 5 nos. dialysis unit at Wenlock Hospital,as per the request from Dy.commissioner, Dakshina Kannada District	500	100%
16	Financial assistance for construction of Red Cross centenary building project	300	100%
17	Providing furniture to govt.higher primary school, Meenakaliya. Baikampady, Mangaluru	130	100%
18	Construction of two class rooms in dakshina Kannada zilla panchayat Hr.primary school, Manikara, Puttur Taluk, Dakshina Kannada	120	100%
19	Construction of two classrooms for science block at Govt. PU College, Kavoov, Mangaluru	300	100%
20	Providing computer, ups and internet, projector, xerox machine, water purifier to Govt aided High School, Kulur, Mangaluru	200	100%
21	Financial assistance for creation of Miyawaki forests-new urban green spaces in Mangaluru city under environment sustainability	--	--
22	Modification/renovation of 2 nos. police quarters as counseling/relax rooms at Mangaluru	--	--
23	Financial assistance towards construction of Gow shala at shree Bharathi group of institutions, Nathoor padav, Mangaluru	--	--
24	Financial assistance for conducting National level chess tournament at Mangaluru	400	80%
25	Financial assistance for kidney transplant of patient belonging to poor family at Narayana Hrudayalaya Hospital, Bengaluru	1	100%
26	10 deskop computers to Kaginele Mahasansthana Kanaka Guru Peeta, Raichur District, Karnataka	250	100%



S. No.	CSR Project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalized groups
27	Two desktop computers to Sir C. V. Raman Hospital, Bangalore	400	100%
28	Pure drinking water facility to Govt High School, Near APMC, Sandur	300	100%
29	Provision of lab equipments & furnitures to Girls PU College, Sandur	200	100%
30	Provision of tricycles to 20 handicap persons at Sandur	20	100%
31	Provision of vehicles to Forest Department for protection of forest & wildlife, ecological balance of the forest eco-systems etc.	--	--
32	Providing furnitures to two classrooms (bench, desk, table, noticeboard and cupboards etc.) To Govt.High School, Belthangady	200	100%
33	Providing 10 nos. Desktop computers to Govt. High School, Mucchuru.	200	100%
34	Providing water purifier, lab items, materials to DKZP Hr.Primary School, Kenjar	200	100%
35	Providing furniture & stationery materials for Govt. Residential School for Tribes, Hornadu	100	100%
36	Providing furniture items to DK ZP Hr. Pry School, Bantwal Taluk, Dakshina Kannada	50	100%
37	Scholarship to children studying in Govt. Schools and Colleges in & around Mangaluru	20	100%

## PRINCIPLE 9

**Businesses should engage with and provide value to their consumers in a responsible manner.**

### Essential Indicators

#### 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Consumer complaints are received in the form of email and letters by the Marketing Department. On receipt of customer complaint, a Corrective Action Request (CAR) is raised on relevant department to investigate and provide a 'Root Cause Analysis' for complaint resolution and the findings are communicated to the Customer as per procedures laid down in Integrated Management System.

#### 2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
<b>Environmental and social parameters relevant to the product</b>	N.A.
<b>Safe and responsible usage</b>	N.A.
<b>Recycling and/or safe disposal</b>	N.A.

**3. Number of consumer complaints in respect of the following:**

Data privacy	FY 2022-23			FY 2021-22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Advertising	0	--	--	0	--	--
Cyber-security	0	--	--	0	--	--
Delivery of essential services	0	--	--	0	--	--
Restrictive Trade Practices	0	--	--	0	--	--
Unfair Trade Practices	0	--	--	0	--	--

**4. Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary Recall	Nil	N.A.
Forced Recall	Nil	N.A.

**5. Does the entity have a framework/policy on cyber security and risks related to data privacy?**

Yes

**If available, provide a web-link of the policy.**

At present IT Policy is designed in general to guide the usage and manage IT assets and the same is hosted on Company Website @ <https://kiocltd.in/table.php?id=284>.

However, the Cyber Security Policy, which is a part of IT Security Policy, is under draft stage and the same will be published, once SAP S4 Hana solution on cloud is implemented.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.**

For protection against Cyber Security and Data Privacy of End Point devices and Network connection, Fortinet Next Generation Firewall and Bitdefender End Point Security is installed. An awareness session on Cyber Security was organized for employees. IT auditing is done during the year 2022. For the year 2023, IT Audit and VAPT are completed. The IT Auditing agency has submitted final compliance report.

The concerned Department dealing with customer data is not maintaining detailed customer information and having basic data for dept. use. However, the Dept. is equipped with latest configuration Desktop/Laptop, secured with Active Directory and Bitdefender End Point Security and Monitored by NMS.

## Leadership Indicators

**1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Specifications for Iron Ore Pellets and Pig Iron are provided on the website in the following links.

-For Iron Ore Pellets: <https://www.kiocltd.in/data.php?id=400>.

-For Pig Iron: <https://www.kiocltd.in/data.php?id=339>.

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

As a responsible manufacturer, KIOCL complies with all statutory norms.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

Any risk/disruption in supply is intimated to Customer as per Force Majeure Clause and /or Termination Clause provided in all Sale Contracts.

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/ No/Not Applicable) If yes, provide details in brief.**

N.A.

**Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole?**

Yes.

The KIOCL regularly conducts Customer Satisfaction Surveys on a periodic basis. The survey questionnaire is circulated to all performing customers, who assess their business relationship with KIOCL across six main attributes: Quality, Quantity, Delivery Schedule, Contract, Servicing, Communication and Co-ordination, as well as problem-solving. KIOCL consistently undertakes these customer satisfaction surveys to gauge the level of satisfaction among its customers.

**5. Provide the following information relating to data breaches:**

**a. Number of instances of data breaches along with impact.**

Nil

**b. Percentage of data breaches involving personally identifiable information of customers.**

Nil



## ANNEXURE TO BOARD'S REPORT

# CEO / CFO CERTIFICATION

We, the undersigned in our respective capacities as Chief Executive Officer & Chairman-cum-Managing Director and Chief Financial Officer & Director (Finance) of KIOCL Limited to the best of our knowledge and belief certify that: -

- a) we have reviewed the financial statements and Cash Flow Statement for the year ended March 31, 2023 and that to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b) to the best of our knowledge and belief, no transactions were entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct;
- c) we accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and we have taken steps to rectify these deficiencies;
- d) we have indicated to the Auditors and the Audit Committee:
  - i) significant changes in internal control over financial reporting during the year;
  - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-

**(T. Saminathan)**

Chairman-cum-Managing Director & Chief Executive Officer  
DIN: 08291153

Place: Bangalore

Date : 30-05-2023

Sd/-

**(Manoj Kumar Jhavar)**

Director (Finance) & Chief Financial Officer  
DIN: 07306454



ANNEXURE TO BOARD'S REPORT

**DECLARATION UNDER REGULATION 26(3) READ WITH PART D OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**COMPLIANCE WITH CODE OF CONDUCT**

In Compliance with Regulation 17(5) & 26(3) read with Part D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2023.

Sd/-

**(T. Saminathan)**

Chairman-cum-Managing Director &  
Chief Executive Officer  
(DIN: 08291153)

Place: Bengaluru  
Date: 02-06-2023

## ANNEXURE TO BOARD'S REPORT

## FORM NO. MR-3

# SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members,  
**KIOCL Limited**  
CIN: L13100KA1976GOI002974  
II Block, Koramangala,  
Bangalore- 560 034

I, P. S Bathla, proprietor of M/s P. S Bathla & Associates, Ludhiana, bearing membership No. 4391 and C.P No, 2585, have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KIOCL Limited** (hereinafter called "the Company") CIN: L13100KA1976GOI002974 listed at BSE Limited (BSE), National Stock Exchange of India Limited (NSE) & Metropolitan Stock Exchange of India Limited (MSE), for the financial year ended March 31, 2023.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s KIOCL Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the **Financial Year April 1, 2022 to March 31, 2023** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s KIOCL Limited** ("the Company") for the financial year ended on **March 31, 2023** according to the provisions of:-

- I. The Companies Act, 2013 (the Act) and the rules made there under;
- II. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the rules made thereunder;

- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- IV. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**') :-
  - (a) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) SEBI (Prohibition of Insider Trading) Regulations, 2015;
  - (c) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (d) SEBI (Depositories and Participants) Regulations, 2018
  - (e) SEBI (ICDR) Regulations, 2018; (*Not Applicable as the Company has not issued any shares during the year under review.*)
  - (f) SEBI (Buyback of Securities) Regulations, 2018. (*Not applicable as the Company has not bought back/propose to buy-back any of its securities during the financial year under review.*)
- V. Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the ICSI.
- VI. Labour Laws as applicable and the rules and regulations made thereunder.

I have also examined compliance with the applicable clauses of the following: -

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).
- (ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I have not reviewed the applicable financial laws, direct and

indirect tax laws since the same have been subject to review and audit by the Statutory Auditors of the Company.

During the period under review, based on verification of the records maintained by the Company and on the review of compliance reports/statements by respective department heads/ Company Secretary taken on record by the Board of Directors of the Company, in my opinion, adequate systems and process and control mechanism exists in the Company to monitor and ensure compliance with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above subject to the following observations:

*As on Year ended March 31, 2023, the total strength of the Board was Six (6), out of which Two (2) were Executive Directors, two (2) were Govt. Nominee Directors and two (2) were Independent Directors. The Chairman of the Board is an executive director. At least half of the Board should comprise of Independent Directors. The Company is not in compliance with this requirement as on March 31, 2023. The NSE, BSE & MSEI each has been continuously levying fines during the financial year ended March 31, 2023. As per explanation furnished by Company, it has been filing waiver application with Stock Exchanges.*

*The Company, is a Govt. Company within the meaning of Section 2(45) of the Companies Act, 2013 and in pursuance to Article 91 of the Articles of Association of the Company; the power to appoint Directors including Independent Directors on the Board of the Company is vested with THE HON'BLE PRESIDENT OF INDIA through Administrative Ministry i.e., Ministry of Steel and the Company is regularly following up with Ministry of Steel for early appointment of requisite number of Independent Directors on its Board*

- The Company is not maintaining minimum public shareholding which is only 0.97% against the requirement of 25%. As per explanation furnished by Company, till, August 1, 2022 the Company was exempted from the Compliance of this provision. Further during the period*

*under review there is no penalty levied by the Stock Exchanges for the purpose of non-compliance with requirement of Minimum Public Shareholding. Accordingly the Company has been following up with Ministry of Steel to take up the matter with Ministry of Finance for granting exemption to KIOCL under the aforesaid rule. The Ministry of Steel has requested DIPAM to grant exemption to KIOCL from compliance of Minimum Public Shareholding Criteria.*

#### **I further report that**

- Adequate notice is given to all directors to schedule the Board Meetings and agenda, detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions at Board Meetings and Committee Meetings have been carried out unanimously as recorded in the minutes of the meetings of Board of Directors and Committee of the Board, as case may be.

**For P S Bathla & Associates**

Sd/-

**Parminder Singh Bathla**

Company Secretary

FCS No. 4391

C.P No. 2585

Peer Review No. 1306/2021

SCO-6, Feroze Gandhi Market,

Ludhiana

Place: Ludhiana

Dated: 09-08-2023

UDIN:F004391E000766955

**Note: This Report is to be read with my Letter of even date which is annexed as Annexure A and forms an integral part of this report.**

**'Annexure A'**

To  
The Members,  
**KIOCL Limited**  
II Block, Koramangala,  
Bangalore- 560 034

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For P S Bathla & Associates**

Sd/-  
**Parminder Singh Bathla**  
Company Secretary  
FCS No. 4391  
C.P No. 2585  
Peer Review No. 1306/2021  
SCO-6, Feroze Gandhi Market,  
Ludhiana  
UDIN: F004391E000766955

Place: Ludhiana  
Dated: 09-08-2023





## ANNEXURE TO BOARD'S REPORT

# CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To  
The Members,  
**KIOCL Limited**  
II Block, Koramangala,  
Bangalore- 560 034

We have examined all the relevant records of M/s KIOCL Limited (Company), for the purpose of certifying compliance of the conditions of Corporate Governance in pursuance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2023.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and as applicable as on March 31, 2023 except the following: -

Reg 17(1b): The Chairman of the Board is an executive director. Atleast half of the Board should comprise of Independent Directors. The Company is not in compliance with this requirement as on March 31, 2023.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For P.S. Bathla & Associates**  
Company Secretaries

Place : Ludhiana  
Dated: 09-08-2023

Sd/-  
**P.S. Bathla**  
(Proprietor)  
CP No. 2585  
UDIN:F004391E00076698

## ANNEXURE TO BOARD'S REPORT

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

Pursuant to Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
The Members,  
**KIOCL Limited**  
II Block, Koramangala,  
Bangalore- 560034

I have examined the relevant registers, records, forms and returns of **M/s. KIOCL Limited** having CIN: L13100KA1976GOI002974 and having registered office at II Block, Koramangala, Bangalore-560034 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing Certificate in accordance with Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

On the basis of disclosures / declarations received from the Directors and taken on record by the Board of Directors and according to the verifications (including DIN Status of Directors at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company. I hereby certify that none of the six Directors on the Board of the Company as stated below for the Financial Year ended as on March 31, 2023, has been debarred or disqualified from being appointed or continuing as Director of Companies by the SEBI / Ministry of Corporate Affairs or any such other statutory authority.

Sl. No	Name of Director	DIN	Date of appointment in Company	Date of cessation
1.	Shri. T. Saminathan	08291153	09-01-2019	-
2.	Shri B. K Mahapatra	09613777	30-08-2022	-
3.	Smt. Sukriti Likhi	01825997	23-04-2021	-
4.	Shri. Devidatta Satapathy	09591943	30-04-2022	03-05-2023
5.	Shri. Changdev S Kamble	09351638	01-11-2021	-
6.	Dr. Usha Narayan	09351511	01-11-2021	-

Ensuring the eligibility of / for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For P.S. Bathla & Associates**  
Company Secretaries

Place : Ludhiana  
Dated: 09-08-2023

Sd/-  
**P.S. Bathla**  
(Proprietor)  
CP No. 2585  
UDIN:F004391E000766977



# Financial Statements

# Independent Auditors' Report

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

## Opinion

We have audited the accompanying Standalone Ind AS financial statements of **KIOCL Limited** ("the Company") which comprises the Balance Sheet as at 31<sup>st</sup> March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and Notes to the Financial Statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "Standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2023, the **Loss** including Other Comprehensive Income, the changes in equity and its cash flows for the year ended on that date.

## Basis for Opinion

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

## Emphasis of Matters

### 1. Kudremukh Mining Operations

Attention is drawn to Note No. 3.1 along with foot note thereto and Note No. 28.3.4 of the Standalone Ind AS financial statements on the Kudremukh mine site from where iron ore was extracted by KIOCL Limited and has been suspended due to the order of the Hon'ble Supreme Court in 2006 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 pending the decision of the Government of Karnataka, since Lakhya dam therein is the main water source for the pellet plant, the asset continues to be shown under PPE.

### 2. Blast Furnace Unit (BFU)

Attention is drawn to Note No. 1.10, Note No. 3.1 along with additional information thereto and Note No. 28.3.7 of the Standalone Ind AS financial statements on Blast Furnace Unit (BFU) which is not in operation since 2009, since it is not economically viable in running the unit. As per the valuation report provided by the Independent Valuer, the recoverable amount in each class of BFU are more than the carrying amount and hence, no impairment loss is recognised.

### 3. Right to Use (ROU) Asset- The allotment of land by M/s Karnataka Industrial Areas Development Board (KIADB) at Mangalore and Doddaballapura.

Attention is drawn to Note No. 3.3 along with additional information thereto and Note No. 28.1.2 and Note No 28.2.5

The company was allotted 52.86 Acres of land at Mangalore in 2008 for the purpose of building a Railway siding and 17,483 Sq.mtrs at Doddaballapura in 2016 for the purpose of setting up an R & D Centre. As per the terms and conditions of the agreement the company was supposed to start construction of the Railway siding within 4 years from the date of allotment of land, failing which the Company would have to pay the difference in the cost of the land from the date of allotment to the actual date of construction. However, the company is in discussion with M/s KIADB for revising the entire lease agreement.

The ultimate outcome of the matters is uncertain and the positions taken by the management are based on the application of their best judgement, the Company is of the view that pending the decision of the M/s KIADB, the asset continues to be shown under ROU and no provisions are to be made for the differential value of the land.

Our opinion is not modified in respect of these matters.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
1.	<p><b>Going Concern</b></p> <p>As included in Note No. 1.2 and Note No. 2 (related to 'Going Concern and estimation of uncertainties that may impact the Company's operations') to the Standalone Ind AS financial statements, the Company's financial statements have been prepared using the going concern basis of accounting.</p> <p>In view of the above, we have identified our assessment of the going concern basis of accounting as a key audit matter.</p>	<p>In view of the significance of the matter we have obtained appropriate audit evidence and assessed the adequacy of the disclosures related to application of the going concern assumption.</p> <p>The management has not identified a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern, and accordingly none is disclosed in the financial statements. Based on our audit of the Standalone Ind AS financial statements, we also have not identified such a material uncertainty.</p>
2.	<p><b>Property, Plant &amp; Equipment, Intangible Assets and its impairment</b></p> <p>There are areas where management judgement impacts the carrying amount of property, plant and equipment, intangible assets and their respective depreciation/ amortization rates and impairment.</p> <p>These include the decision to capitalise or expense costs; the annual asset life review; the timeliness of the capitalization of the assets and the use of the management assumptions and estimates for the determination or the measurement and recognition criteria for assets retired from active use and its impairment.</p> <p>This capitalization and annual impairment test are considered to be a key audit matter due to the complexity of the accounting requirements and the significant judgement required in determining the key assumptions, including estimates of future sales volumes and prices, operating costs, terminal value growth rates, capital expenditure and the weighted-average cost of capital (discount rate), to be used to estimate the recoverable amount.</p> <p>[Refer Note No. 2, 3.1, 3.2, 4.1, 4.2 &amp; 28.3 to the Standalone Ind AS financial statements]</p>	<p>Due to the materiality in the context of balance sheet of the Company and age of the PPE of the Company and the level of judgement and estimates required, we consider this to be an area of significance.</p> <p>We assessed the controls in place over the PPE life cycle, evaluated the appropriateness of capitalisation process, performed tests of details on costs capitalised, the timeliness of the capitalisation of the assets and de-recognition criteria for the assets retired from active use and its impairment.</p> <p>In performing these procedures, we reviewed the judgements made by the management including the nature of underlying costs capitalised; determination of realisable value of the assets retired from active use; the appropriateness of assets lives applied in the calculation of depreciation; the useful lives of the assets prescribed in Schedule II of Companies Act, 2013 and the useful lives of certain assets as per the technical assessment of management and its impairment. In case of realizable value for assets retired from active use, we have relied upon the independent valuation report obtained by the management and provided to us. We've observed that the management has regularly reviewed the aforesaid judgments and there are no material changes.</p>



Sr. No.	Key Audit Matter	How the matter was addressed in our audit
3.	<p data-bbox="228 317 586 348"><b>Adoption of Ind AS 116 Leases</b></p> <p data-bbox="228 373 824 531">The Company has adopted Ind AS 116 Leases. The application and transition to this accounting standard is complex and is an area of focus in our audit since the Company has a large number of leases with different contractual terms.</p> <p data-bbox="228 556 824 905">Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognize a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract / arrangement. Adoption of the standard involves significant judgements and estimates including, determination of the discount rates and the lease term. Additionally, the standard mandates detailed disclosures in respect of transition.</p> <p data-bbox="228 930 824 989">[Refer Note No. 3.3, 13.2, 15.2 &amp; 28.2.5 to the Standalone Ind AS financial statements]</p>	<p data-bbox="841 317 1451 348">Our audit procedures on adoption of Ind AS 116 include:</p> <ul data-bbox="841 373 1511 1014" style="list-style-type: none"> <li data-bbox="841 373 1511 432">• Assessed and tested the process and controls in respect of the lease accounting standard (Ind AS 116);</li> <li data-bbox="841 457 1511 552">• Assessed the Company's evaluation on the identification of leases based on the contractual agreements and our knowledge of the business;</li> <li data-bbox="841 577 1511 636">• Evaluation of reasonableness of the discount rates applied in determining the lease liabilities;</li> <li data-bbox="841 661 1511 720">• On a sampling basis, we performed the following procedures: <ul data-bbox="841 745 1511 930" style="list-style-type: none"> <li data-bbox="841 745 1511 804">a. Assessed the key terms and conditions of each lease with the underlying lease contracts; and</li> <li data-bbox="841 829 1511 930">b. Evaluated computation of lease liabilities and challenged the key estimates such as, discount rates, escalation in lease payments and the lease term.</li> </ul> </li> <li data-bbox="841 955 1511 1014">• Assessed and tested the presentation and disclosure relating to Ind AS 116</li> </ul> <p data-bbox="841 1039 1511 1129">Based on the above audit procedures, the presentation and disclosures in the Standalone Ind AS financial statements are in accordance with the standard.</p>
4.	<p data-bbox="228 1140 532 1171"><b>Defined benefit obligation</b></p> <p data-bbox="228 1197 824 1413">The valuation of the retirement benefit schemes in the Company is determined with reference to various actuarial assumptions including discount rate, rate of inflation and mortality rates. Due to the size of these schemes, small changes in these assumptions can have a material impact on the estimated defined benefit obligation.</p> <p data-bbox="228 1438 824 1497">[Refer Note No. 1.16, 14, 17 &amp; 28.2.1 to the Standalone Ind AS financial statements]</p>	<p data-bbox="841 1140 1511 1423">We have examined the key controls over the process involving member data, formulation of assumptions and the financial reporting process in arriving at the provision for retirement benefits. We tested the controls for determining the actuarial assumptions and the approval of those assumptions by senior management. We found these key controls were designed, implemented and operated effectively, and therefore determined that we could place reliance on these key controls for the purposes of our audit.</p> <p data-bbox="841 1449 1511 1707">We tested the employee data used in calculating the obligation and where material, we also considered the treatment of curtailments, settlements, past service costs, re-measurements, benefits paid, and any other amendments made to obligations during the year. From the evidence obtained, we found the data and assumptions used by management in the actuarial valuations for retirement benefit obligations to be appropriate.</p> <p data-bbox="841 1732 1511 1785">In this process, we have relied upon the valuation of 'actuary' in accordance with SA 620 issued by the ICAI.</p>

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
5.	<p><b>Provisions and Contingent Liabilities</b></p> <p>The Company has exposures towards litigations relating to various matters as set out in the Notes to the Standalone Ind AS Financial Statements.</p> <p>Significant management judgement is required to assess such matters to determine the probability of occurrence of material outflow of economic resources and whether a provision should be recognized, or a disclosure should be made. The management judgement is also supported with legal advice in certain cases as considered appropriate.</p> <p>As the ultimate outcome of the matters are uncertain and the positions taken by the management are based on the application of their best judgement, related legal advice including those relating to interpretation of laws/regulations, it is considered to be a Key Audit Matter.</p> <p>[Refer Note No. 14, 17 &amp; 28.1.2 to the Standalone Ind AS financial statements]</p>	<p>Our audit procedures in response to this matter included, among others,</p> <ul style="list-style-type: none"> <li>• Understanding, assessing and testing the design and operating effectiveness of key controls surrounding assessment of litigations relating to the relevant laws and regulations;</li> <li>• Discussion with the Management any material developments and latest status of legal matters;</li> <li>• Evaluation of management's assessment around those matters that are not disclosed or not considered as contingent liability, as the probability of material outflow is considered to be remote by the management; and</li> <li>• Review of adequacy of the disclosures in the notes to the financial statements.</li> </ul> <p>Based on the above work performed, management's assessment in respect of litigations and related disclosures relating to contingent liabilities/other significant litigations in the Standalone Ind AS Financial Statements are considered to be reasonable.</p>
6.	<p><b>Inventory Management</b></p> <p>The Company was majorly dependent on a single vendor for procurement of raw material i.e., iron ore fines, required for the production of its finished goods i.e., pellets.</p> <p>This could have an impact on the uninterrupted production process of the Company if the raw materials required were not available on a timely basis as per the procurement or production schedule of the Company.</p>	<p>We observed that the Company was majorly dependent on a single vendor for procurement of raw materials (iron ore fines) and during the year we observed that the production process was disrupted for a considerable amount of time due to the imposition of export duty by the government of India from May 2022 To November 2022.</p> <p>We were informed by the management that the Company is in the process of finding alternative source of raw material (Iron ore fines) from Odisha which require additional facilities in the manufacturing process like vertical pressure filter. The purchase order has already been placed for the installation of vertical pressure filter to process iron ore fines sourced from Odisha. We have relied upon the management replies and documents provided in this process.</p> <p>KIOCL during the year have obtained the second stage approvals for mining in Devadari mines, Bellary district, therefore their dependency on NMDC will be reduced in the coming financial years.</p>

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
7.	<p data-bbox="228 317 824 348"><b>Recognition of Intangible Asset under development</b></p> <p data-bbox="228 373 824 531">Refer Note No. 1.6, 4.2 &amp; 28.3.5 of the Standalone Ind AS Financial Statements, the Company has recognized costs incurred towards acquisition of mining rights amounting to ₹ 52,728.73 Lakhs as 'Intangible Assets under Development'.</p> <p data-bbox="228 556 824 619">As per the Ind AS-38, the development costs are recognized as Intangible Assets only when:</p> <ol data-bbox="228 644 824 877" style="list-style-type: none"> <li>1. Technical feasibility has been established</li> <li>2. The Company has committed technical and commercial resources to complete the development and use the intangible asset and</li> <li>3. It is probable the asset will generate future economic benefits.</li> </ol> <p data-bbox="228 903 824 1119">The costs capitalized include the amount paid to Government, cost of technical knowhow expenses, materials, direct labour, inspecting and testing charges, designing cost, software expenses, contribution made to District CSR fund of Bellary District and directly attributable overhead expenditure incurred up to the date the intangible asset is available for use.</p> <p data-bbox="228 1144 824 1396">The recognition of development cost as an intangible asset is considered to be a key audit matter given the assessment of the recognition criteria set out in Ind AS 38 'Intangible Assets' is made at an early stage of development and there are inherent challenges with accurately predicting the future economic benefit, which must be assessed as 'probable' for capitalisation to commence.</p> <p data-bbox="228 1421 824 1505">Owing to the nature of intangible asset under development, there could be delay in ultimate implementation of the project.</p>	<p data-bbox="841 317 1511 415">In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <p data-bbox="841 441 1023 472"><b>Test of Controls</b></p> <ul data-bbox="841 497 1511 619" style="list-style-type: none"> <li>• Tested the Company's design, implementation and operating effectiveness of controls to comply with the recognition criteria set out in Ind AS 38 'Intangible Assets' for projects initiated during the year.</li> </ul> <p data-bbox="841 644 1003 676"><b>Test of details</b></p> <ul data-bbox="841 701 1511 909" style="list-style-type: none"> <li>• Evaluated and compared the inputs used in the assessment of future economic benefits;</li> <li>• Examined approvals and clearances of the project given by the concerned authorities, reviewed the source documents to determine the expected future economic benefits and feasibility of the project.</li> </ul>

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

1. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Ind AS financial statements and our auditor's report thereon.
  2. Our opinion on the Standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
  3. In connection with our audit of the Standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.
2. In preparing the Standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
  3. The Board of Directors are responsible for overseeing the Company's financial reporting process.

## Management's Responsibilities for the Standalone Ind AS Financial Statements

1. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013, with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position and financial performance, changes in equity and cash flows of the Company in accordance with the Accounting Principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate **internal financial controls**, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS

financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

1. Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS financial statements.
2. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS financial statements or, if such disclosure is inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
3. Materiality is the magnitude of misstatements in the Standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Ind AS financial statements.
  4. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.
  5. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
  6. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS financial statements of the current period and are

therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matters

1. As per the information and explanations provided to us, the Company has requested its trade receivables, trade payables, Advances and deposits for confirmation of balances. However, we have not received all confirmations and hence, we have relied upon the balances appearing in the books for the reporting period.

## Report on Other Legal and Regulatory Requirements

1. As required under the directions and sub-directions issued by the Comptroller and Auditor General of India in terms of Sub-section (5) of Section 143 of the Companies Act 2013, we are enclosing our report in "**Annexure A**".
2. As required by the Companies (Auditor's Report) Order, 2020 ("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;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss (Including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;



- (d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) As per notification number G.S.R. 463(E) dated 5<sup>th</sup> June, 2015 issued by Ministry of Corporate Affairs, section 164(2) of the Act regarding the disqualifications of Directors is not applicable to the Company, since it is a Government Company;
- (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**".
- (g) As per notification number G.S.R. 463 (E) dated 5<sup>th</sup> June, 2015 issued by Ministry of Corporate Affairs, section 197 of the Act regarding remuneration to director is not applicable to the Company, since it is a Government Company;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements. Refer Note No. 28.1.2 of the Standalone Ind AS financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Company.
- iv.
- a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entity ("Intermediary"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person or entity, including foreign entity ("Funding Party"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
  - c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.
- v. The dividend paid during the year by the company is in compliance with section 123 of the Companies Act, 2013.

For **YCRJ & Associates**  
Chartered Accountants  
FRN: 006927S

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

Place: Bengaluru  
Date: 30-05-2023  
UDIN: 23202465BGSLSK8947

# Annexure – A to the Auditors’ Report

Referred to in Paragraph 1 under “**Report on Other Legal and Regulatory Requirements**” section of our report to the Members of the Company of even dated

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

1. The units of the Company have a system in place to process all the accounting transactions through IT system. Transactions relating to Inventory are recorded in a separate software called **Price Stores Ledger (PSL)** which is not integrated with the **Financial Accounting System**. Similarly, production details are not linked to the

Financial Accounting System. During our audit, we have not come across any major implications (whether financial or otherwise) of processing of accounting transactions through IT system on the integrity of the accounts.

2. According to the information and 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 and explanations given to us, the Company has not received any funds for specific schemes from Central / State Government or its agencies during the financial year 2022-23.

For **YCRJ & Associates**  
Chartered Accountants  
FRN: 006927S

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

Place: Bengaluru  
Date: 30-05-2023  
UDIN: 23202465BGSLSK8947

## Annexure – B to the Auditors’ Report

Referred to in Paragraph 2 under “**Report on Other Legal and Regulatory Requirements**” section of our report to the Members of the Company of even dated

As per the books and records produced before us and as per the information and explanations given to us and based on such audit checks that we considered necessary and appropriate, we report that:

i. In respect of the Company’s Property, Plant and Equipment and Intangible Assets:

- a. (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plants and Equipment and relevant details of right-of-use assets.
- (B) The comprehensive description of assets, their current location and asset numbering is to be updated in the fixed asset register.

b. According to the information and explanations given to us, 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.

As explained to us, 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.
- d. As per the information and explanation given us the Company has not revalued any of its Property, Plant and Equipment (including right of-use assets) during the year.
- e. As per the information and explanation given us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii.

- a. According to the information and explanations given to us, physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed;
- b. According to the information and explanations given to us, the Company has overdraft facility against deposits with banks in excess of ₹ 5 crore, in aggregate. As explained to us, since the facilities were sanctioned against fixed deposits, there were no requirement of submission of quarterly returns or statements with the banks and hence the same were not submitted by the Company.

iii. As per the information and explanation given to us, during the year, the company has not made investments in, provided any guarantee or security or granted any loans, secured or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties. Hence reporting under clause 3(iii) of paragraph 3 of the Order are not applicable.

iv. As per the information provided and explanation given to us, there are no loans, investments, guarantees, and security under section 185 and 186 of the Companies Act 2013. Hence the provisions of clause 3(iv) of paragraph 3 of the Order are not applicable.

v. As per the information provided and explanation given to us, the Company has not accepted any deposits from the public and does not have any unclaimed deposits as at March, 31, 2023 and therefore reporting under paragraph 3(v) of the Order is not applicable to the Company.

vi. On the basis of records produced to us, we are of the opinion that, prima facie, the cost records prescribed by the Central Government of India under sub-section (1) of section 148 of the Companies Act, 2013 have been made and maintained. However, we are not required to and have not carried out any detailed examination of such accounts and records.

vii. According to the information and explanations given to us and on the basis of our examination of the records of the Company,

- a. The Company has generally been regular in depositing the amounts deducted/accrued in the books of account in respect of undisputed applicable statutory dues including provident fund, employees’

state insurance, income tax, sales tax, and service tax, duty of customs, duty of excise, GST, cess and any other statutory dues applicable to it with the appropriate authorities.

There were no outstanding of aforesaid statutory dues as on 31<sup>st</sup> March 2023 for a period of more than six months from the date they became payable.

- b. As per the information and explanations given to us, the following statutory dues have not been deposited on account of dispute:

Statute	Nature of dues	₹ in Lakhs	Period	Dispute Forum
The Central Excise Act, 1944	Non-payment of SAD on DTA clearance of Pellets	1454.11	2010-11	CESTAT
		1248.99	2011-12	
	3145.21	2011-12		
Finance Act, 1994	Service Tax	60.77	2012-14	CESTAT
Income Tax Act, 1961	Income Tax	4973.66	2018-19	CIT (Appeals)

- viii. As per the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Hence, reporting under clause 3(viii) of the Order is not applicable.

ix.

- a. As per the information and explanations given to us, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b. As per the information and explanations given to us, the company has not been declared as wilful defaulter by any bank or financial institution or other lender.
- c. As per the information and explanations given to us, and as per our review, prima facie, the term loans were applied for the purpose for which the loans were obtained. However, we have not carried out any detailed examination of such accounts, records and utilisation.
- d. As per the information and explanations given to us, and as per our review, prima facie, funds raised on short term basis have not been utilised for long term purposes. However, we have not carried out any detailed examination of such accounts, records and utilisation.

- e. As per the information and explanations given to us, the company has not taken any funds during the year from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

- f. As per the information and explanations given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

- x. As per the information and explanations given to us, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year or has made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Hence, reporting under clause 3(x) of the Order is not applicable.

xi.

- a. Based on the audit procedures performed and based on the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

- b. No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

- c. As per the information and explanation given to us, the Company has not received any whistle blower complaints during the year.

- xii. The company is not a Nidhi Company. Hence, reporting under clause 3(xii) of the Order is not applicable.

- xiii. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv.

- a. In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

- b. We have considered, the internal audit reports for the year under audit, issued to the Company for the year and till date, in determining the nature, timing and extent of our audit procedures.

- xv. As per the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the company.
- xvi. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and also is not a Core Investment Company (CIC) as defined in the Core Investment Companies (Reserve Bank) Directions, 2016. Hence, reporting under clause 3(xvi) (a), (b), (c) and (d) of the Order is not applicable.
- xvii. The Company has incurred cash loss of ₹ 9,335.90 Lakhs during the financial year covered by our audit however, there were no cash losses incurred in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year and hence clause 3(xviii) is not applicable to the company.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx.
- a. As per the information and explanations given to us, there are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- b. As per the information and explanations given to us, there are no unspent amounts towards Corporate Social Responsibility (CSR) other than ongoing projects requiring a transfer to a fund specified in Schedule VII to the Companies Act in compliance with sub-section (5) of Section 135 of the said Act, however, in respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year, to a special account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135(6) of the Act.
- xxi. As this report is being given on the Standalone Financial Statements of the company, reporting under clause 3(xxi) is not applicable.

Place: Bengaluru  
Date: 30-05-2023  
UDIN: 23202465BGSLSK8947

For **YCRJ & Associates**  
Chartered Accountants  
FRN: 006927S

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



# Annexure – C to the Auditors' Report

Referred to in Paragraph 3(f) under “**Report on Other Legal and Regulatory Requirements**” section of our report to the Members of the Company of even dated

## **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **KIOCL LIMITED** (referred to as the “Company”) as of March 31, 2023, in conjunction with our audit of the Standalone financial statements of the company of the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the of the Holding company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial

controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide us for our audit opinion on the Company’s internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

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

## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

## Opinion

In our opinion, the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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: Bengaluru

Date: 30-05-2023

UDIN: 23202465BGSLSK8947

## Emphasis of Matters

1. Temporary Discrepancies between Real-time stock position as per stock register and bin card of Inventory Accounting System (IAS) resulting in the frequent use of Draft Stock Issue Vouchers (SIVs) has been observed in the internal audit report, which may have impact on the control over inventories. We have been informed by the Company, that the same will be addressed while implementing ERP which is under progress.
2. Non-Adherence to the procedure stipulated in the manual in arriving at Re-Order Level in respect of Automatic Replenishment (AR) category of stock has been observed in the internal audit report, which may have impact on the control over inventories. We have been informed by the Company, that the same will be addressed while implementing ERP which is under progress.
3. The Standard Operating Procedures (SOPs) and Manuals prepared earlier in the years are required to be updated/modified to reflect the current practices.

Our opinion is not modified in respect of these matters.

For **YCRJ & Associates**  
Chartered Accountants  
FRN: 006927S

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

## COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF KIOCL LIMITED FOR THE YEAR ENDED MARCH 31, 2023

The preparation of financial statements of KIOCL Limited for the year ended March 31, 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated May 30, 2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of KIOCL Limited for the year ended March 31, 2023 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 143(6)(b) of the Act.

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

Sd/-

**(M.S. Subrahmanyam)**

Director General of Commercial Audit  
Hyderabad

Place: Hyderabad  
Date: 21-07-2023



# Balance Sheet

as at 31<sup>st</sup> March, 2023

Particulars	Note No.	₹ in Lakhs	
		As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Assets</b>			
<b>Non-Current Assets</b>			
a) Property, plant and equipment	3.1	17,490.48	17,834.24
b) Capital work-in-progress	3.2	16,634.53	11,138.07
c) Right of use assets	3.3	10,535.08	9,791.82
d) Other intangible assets	4.1	158.27	94.59
e) Intangible assets under development	4.2	53,535.87	18,441.69
f) Financial assets			
i) Loans	5.1	226.09	248.95
ii) Other financial assets	5.2	1,342.15	1,031.56
g) Deferred tax assets (net)	6	3,036.33	651.29
h) Other non-current assets	7	2,760.13	2,641.70
<b>Total non-current assets</b>		<b>1,05,718.93</b>	<b>61,873.91</b>
<b>Current assets</b>			
a) Inventories	8	33,318.46	34,574.63
b) Financial assets			
i) Trade receivables	9.1	35,422.40	29,186.18
ii) Cash and cash equivalents	9.2	50,858.20	35,171.20
iii) Bank balances other than (ii) above	9.3	26,470.30	75,586.72
iv) Loans	9.4	72.36	82.20
v) Other financial assets	9.5	3,229.01	2,905.73
c) Current tax assets (net)	10	4,835.92	3,552.86
d) Other current assets	11	33,878.95	23,143.76
<b>Total current assets</b>		<b>1,88,085.60</b>	<b>2,04,203.28</b>
<b>Total Assets</b>		<b>2,93,804.53</b>	<b>2,66,077.19</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
a) Equity share capital	12.1	60,775.11	60,775.11
b) Other equity	12.2	1,39,428.56	1,53,588.74
<b>Total Equity</b>		<b>2,00,203.67</b>	<b>2,14,363.85</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
a) Financial liabilities			
i) Borrowings	13.1	3,083.00	900.00
ii) Lease liabilities	13.2	10,691.40	10,447.91
iii) Other financial liabilities	13.3	82.21	59.89
b) Provisions	14	8,736.95	9,212.63
<b>Total non-current liabilities</b>		<b>22,593.56</b>	<b>20,620.43</b>
<b>Current liabilities</b>			
a) Financial liabilities			
i) Borrowings	15.1	38,082.11	-
ii) Lease liabilities	15.2	1,876.21	1,229.29
iii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	15.3	1,338.08	800.66
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	15.3	15,147.10	12,550.62
iv) Other financial liabilities	15.4	8,758.75	10,649.32
b) Other current liabilities	16	3,794.15	3,341.40
c) Provisions	17	2,010.90	2,521.62
<b>Total current liabilities</b>		<b>71,007.30</b>	<b>31,092.91</b>
<b>Total Equity and Liabilities</b>		<b>2,93,804.53</b>	<b>2,66,077.19</b>
Significant accounting policies	1 and 2		
Notes forming part of financial statements	1-28		

For and on behalf of Board of Directors

Sd/-  
**T. Saminathan**  
Chairman and Managing Director  
(DIN 08291153)

Sd/-  
**Manoj Kumar Jhawar**  
Director (Finance)  
(DIN 07306454)

as per our report of even date  
**for M/s YCRJ & Associates**  
Chartered Accountants  
(FRN: : 006927S)

Place : Bangalore  
Date : 30<sup>th</sup> May 2023

Sd/-  
**P K Mishra**  
Company Secretary  
A28174

Sd/-  
**CA. Rajnish Rama Rao**  
Partner  
MRN: 202465

# Statement of Profit and Loss

for the period ended 31<sup>st</sup> March 2023

₹ in Lakhs

Particulars	Note No.	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
I. Revenue from operations	18.1	1,54,341.60	3,00,645.14
II. Other income	18.2	8,039.67	7,429.28
<b>III. Total Income (I + II)</b>		<b>1,62,381.27</b>	<b>3,08,074.42</b>
<b>IV. Expenses</b>			
Cost of materials consumed	19.1	1,13,178.75	1,96,326.08
Changes in inventories of finished goods and work-in -progress	19.2	(983.91)	3,417.53
Cost of consumable stores spares & additives	19.3	13,705.37	11,127.17
Power and fuel	19.4	19,577.16	24,754.45
Direct cost towards service contracts	20	1,355.49	1,889.50
Employee benefits expense	21	16,613.26	18,832.84
Finance costs	22	1,363.92	1,220.66
Depreciation and amortization expenses	23	2,525.25	3,118.23
Other expenses	24	7,321.51	6,284.78
<b>Total expenses</b>		<b>1,74,656.80</b>	<b>2,66,971.24</b>
<b>V. Profit before tax (III-IV)</b>		<b>(12,275.53)</b>	<b>41,103.18</b>
<b>VI. Tax expense</b>	25		
(a) Current tax		13.34	9,959.43
(b) Deferred tax		(2,522.17)	(196.90)
<b>Total tax expenses</b>		<b>(2,508.83)</b>	<b>9,762.53</b>
<b>VII. Profit for the year (V-VI)</b>		<b>(9,766.70)</b>	<b>31,340.65</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss:			
(i) Re-measurements of defined benefit obligation	26	544.89	463.99
(ii) Less: Income tax relating to items that will not be reclassified to profit or loss"	26	(137.14)	(116.78)
<b>VIII. Other comprehensive income for the year</b>		<b>407.75</b>	<b>347.21</b>
<b>IX. Total comprehensive income for the year (VII+VIII)</b>		<b>(9,358.95)</b>	<b>31,687.86</b>
<b>Earnings per equity share:</b>			
No of equity shares (Face value ₹10/- each)		60,77,51,096	60,77,51,096
Basic and diluted earning per share (₹)	27	(1.61)	5.16
Significant accounting policies	1 and 2		
Notes forming part of financial statements 1-28			

For and on behalf of Board of Directors

Sd/-  
**T. Saminathan**  
Chairman and Managing Director  
(DIN 08291153)

Sd/-  
**Manoj Kumar Jhavar**  
Director (Finance)  
(DIN 07306454)

as per our report of even date  
**for M/s YCRJ & Associates**  
Chartered Accountants  
(FRN : 006927S)

Place : Bangalore  
Date : 30<sup>th</sup> May 2023

Sd/-  
**P K Mishra**  
Company Secretary  
A28174

Sd/-  
**CA. Rajnish Rama Rao**  
Partner  
MRN: 202465





# Statement of Cash Flow

for the year ended 31<sup>st</sup> March 2023

₹ in Lakhs

Particulars	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	(12,275.53)	41,103.18
Adjustment for :		
Depreciation and amortization expense	2,525.25	3,118.23
Finance costs	1,363.92	1,220.66
Liabilities no longer required written back	(459.34)	-
Interest income on financial assets at amortized cost	(6,156.73)	(6,227.10)
Net gain on financial assets designated at fair value through profit or loss	(463.80)	(339.08)
Net gain on disposal of property, plant and equipment	(17.15)	(8.69)
<b>Operating cash flow before working capital changes</b>	<b>(15,483.38)</b>	<b>38,867.20</b>
Adjustment for working capital changes:		
(Increase)/Decrease in inventories	1,256.17	(4,072.54)
(Increase)/Decrease in trade and other receivables	(18,318.32)	(19,060.78)
Increase/(Decrease) in trade and other payables	1,609.07	4,157.76
<b>Cash generated from operations</b>	<b>(30,936.46)</b>	<b>19,891.64</b>
Income tax paid (Net of refunds)	-	(12,900.00)
<b>Net cash flow from operating activities</b>	<b>(30,936.46)</b>	<b>6,991.64</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and intangible assets	(1,740.91)	(3,678.94)
Proceeds from sale of property, plant and equipment	19.54	8.60
(Increase)/Decrease in capital work in progress and intangible assets under development	(40,590.64)	(25,366.45)
Purchase of investments - liquid mutual fund	(71,806.41)	(1,80,436.98)
Redemption of investments- liquid mutual fund	72,234.20	1,80,668.13
Interest income on financial assets at amortized cost	5,686.58	6,845.24
Investment in term deposits with more than three months	49,116.42	8,721.51
<b>Net cash flow from investing activities</b>	<b>12,918.78</b>	<b>(13,238.89)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from non-current borrowings	2,183.00	900.00
Proceeds from current borrowings	38,082.11	-
Payment of dividend	(4,801.23)	(15,923.08)
Repayment of lease liabilities	(1,300.01)	(1,282.61)
Finance cost paid	(459.19)	(171.51)
<b>Net cash flow from financing activities</b>	<b>33,704.68</b>	<b>(16,477.20)</b>
<b>ABSTRACT</b>		
(A) Net cash from operating activities	(30,936.46)	6,991.64
(B) Net cash from investing activities	12,918.78	(13,238.89)
(C) Net cash from financing activities	33,704.68	(16,477.20)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>15,687.00</b>	<b>(22,724.45)</b>
<b>Net increase/(decrease) in cash and cash equivalents :</b>		
Cash and cash equivalents as at 1 <sup>st</sup> April, 2022 (opening balance)	35,171.20	57,895.65
Cash and Cash Equivalents as at 31 <sup>st</sup> March, 2023 (closing balance)	50,858.20	35,171.20
<b>Net increase /(decrease) in cash and cash equivalents</b>	<b>15,687.00</b>	<b>(22,724.45)</b>

# Statement of Cash Flow

for the year ended 31<sup>st</sup> March 2023

## Notes:

1. The above statement has been prepared using indirect method as setout in Ind AS 7.
2. Figures in brackets indicate cash outflows.
3. Reconciliation of liabilities arising from financing activities:

### For year ended 31<sup>st</sup> March, 2023

Particulars				₹ in Lakhs
	As at 1 <sup>st</sup> April, 2022	Financing cash flow	Non-cash changes	As at 31 <sup>st</sup> March, 2023
Borrowings	900.00	40,265.11	-	41,165.11
Lease liabilities	11,677.20	(1,300.01)	2,190.42	12,567.61
<b>Total</b>	<b>12,577.20</b>	<b>38,965.10</b>	<b>2,190.42</b>	<b>53,732.72</b>

### For year ended 31<sup>st</sup> March, 2022

Particulars				₹ in Lakhs
	As at 1 <sup>st</sup> April, 2021	Financing cash flow	Non-cash changes	As at 31 <sup>st</sup> March, 2022
Borrowings	-	900.00	-	900.00
Lease liabilities	12,034.94	(1,282.61)	924.87	11,677.20
<b>Total</b>	<b>12,034.94</b>	<b>(382.61)</b>	<b>924.87</b>	<b>12,577.20</b>

For and on behalf of Board of Directors

Sd/-  
**T. Saminathan**  
Chairman and Managing Director  
(DIN 08291153)

Sd/-  
**Manoj Kumar Jhwar**  
Director (Finance)  
(DIN 07306454)

as per our report of even date  
**for M/s YCRJ & Associates**  
Chartered Accountants  
(FRN : 006927S)

Place : Bangalore  
Date : 30<sup>th</sup> May 2023

Sd/-  
**P K Mishra**  
Company Secretary  
A28174

Sd/-  
**CA. Rajnish Rama Rao**  
Partner  
MRN: 202465



# Statement of Changes in Equity

## A. Equity share capital

₹ in Lakhs

Particulars	Balance at the beginning of the reporting period	Changes in equity share capital during the period	Balance at the end of the reporting period
Current reporting year ended 31 <sup>st</sup> March 2023	60,775.11	-	60,775.11
Previous reporting year ended 31 <sup>st</sup> March 2022	60,775.11	-	60,775.11

## B. Other Equity

### For the year ended 31<sup>st</sup> March 2023

₹ in Lakhs

Particulars	Reserves and Surplus			Other comprehensive income	Total
	Capital redemption reserve	General reserves	Retained earnings	Re-measurement of defined benefits obligation	
Balance as at 1 <sup>st</sup> April, 2022	2,676.27	1,02,249.37	46,784.93	1,878.17	1,53,588.74
Profit for the period	-	-	(9,766.70)	-	(9,766.70)
Re-measurement of the net defined benefit obligation	-	-	-	407.75	407.75
Dividends					
Final Dividend for the year 2021-22 paid during the year	-	-	(4,801.23)	-	(4,801.23)
<b>Balance as at 31<sup>st</sup> March, 2023</b>	<b>2,676.27</b>	<b>1,02,249.37</b>	<b>32,217.00</b>	<b>2,285.92</b>	<b>1,39,428.56</b>

### For the year ended 31<sup>st</sup> March 2022

₹ in Lakhs

Particulars	Reserves and Surplus			Other comprehensive income	Total
	Capital redemption reserve	General reserves	Retained earnings	Re-measurement of defined benefits obligation	
Balance as at 1 <sup>st</sup> April, 2021	2,676.27	1,02,249.37	31,367.36	1,530.96	1,37,823.96
Profit for the period	-	-	31,340.65	-	31,340.65
Re-measurement of the net defined benefit obligation	-	-	-	347.21	347.21
Dividends					
For the year 2020-21, paid during the current year	-	-	(9,967.12)	-	(9,967.12)
Interim Dividend for the year 2021-22 paid during the year	-	-	(5,955.96)	-	(5,955.96)
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>2,676.27</b>	<b>1,02,249.37</b>	<b>46,784.93</b>	<b>1,878.17</b>	<b>1,53,588.74</b>

For and on behalf of Board of Directors

Sd/-  
**T. Saminathan**  
Chairman and Managing Director  
(DIN 08291153)

Sd/-  
**Manoj Kumar Jhavar**  
Director (Finance)  
(DIN 07306454)

as per our report of even date  
**for M/s YCRJ & Associates**  
Chartered Accountants  
(FRN: : 006927S)

Place : Bangalore  
Date : 30<sup>th</sup> May 2023

Sd/-  
**P K Mishra**  
Company Secretary  
A28174

Sd/-  
**CA. Rajnish Rama Rao**  
Partner  
MRN: 202465

# Notes to the Financial Statements

## Background

KIOCL Limited (the "Company") is a Schedule "A" Miniratna Government of India Enterprise, having its Head Office in Bangalore; it has Pelletisation and Pig Iron plant units in Mangalore. The Company was established as 100% Export Oriented Unit and is primarily engaged in the business of Iron Ore Mining, Beneficiation and Production of high-quality Pellets. The Company has diversified into Operation and Maintenance Services and Mineral exploration pertaining to its various core areas of expertise.

The Financial Statements have been approved for issue in accordance with a resolution of Board of Directors passed in its meeting held on 30<sup>th</sup> May, 2023.

## 1. Significant Accounting Policies

### 1.1. Basis of preparation

The Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2016] and other relevant provisions of the Act.

### 1.2. Basis of measurement

The financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for the following:

- (i) Certain financial assets and financial liabilities that are measured at fair value,
- (ii) Defined Benefit Plans - Plan assets are measured at fair value; and
- (iii) Derivative financial instruments- measured at fair value

Figures in the financial statements have been rounded off to rupees in lakhs.

### 1.3. Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle.
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current only.

## 1.4 Revenue recognition

### Revenue from operations

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services. When there is uncertainty on ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction

# Notes to the Financial Statements

price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold, and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

The Company's revenue from contracts with customers is mainly from the sale of pellets, pig iron, iron ore fines and auxiliary services.

## Sale of products

Revenue from sale of products is recognized when control of the goods or services is transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is dispatched to the customer or on delivery to the customer, as may be specified in the contract.

## Rendering of services

Revenue from services is recognized over time by measuring progress towards satisfaction of performance obligation for the services rendered and control transferred to the customer. Contract revenue is recognized at allocable transaction price which represents the cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs.

Unbilled revenue represents value of services performed in accordance with the contract terms but not billed.

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration when that right is conditional on Company's future performance.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

The Company does not adjust the transaction prices for any time value of money in case of contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer does not exceeds one year.

## Other operating income

Revenue arising from incidental and ancillary activities of the Company are recognized under other operating income.

Despatch money is recognized as and when services are rendered and no significant uncertainty exists regarding the amount of consideration that will be derived from rendering the services.

Liabilities provided against operations and subsequent reversal thereon (if any) in excess of respective expenditure is considered as other operating income.

## Other income

- Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, with reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- Refunds of statutory duties and taxes, Export Duty and cess, are accounted for upon determination by the appropriate authority of the department concerned provided reasonable certainty exist for its ultimate realization.



# Notes to the Financial Statements

- Insurance and Railway claims are accounted for on receipt.
- Export incentives are recognized as and when recovery of the amount is certain.

## 1.5. Property, plant and equipment

Freehold land is carried at historical cost. All other items of Property, Plant and Equipment are stated at historical cost less any accumulated depreciation and accumulated impairment losses (if any). Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognized when replaced. All other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred.

Carrying amount of an item of property, plant and equipment shall be reduced by government grants in accordance with Ind AS 20.

### Derecognition of property, plant and equipment

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gains and losses on disposal or retirement of an item of property, plant and equipment computed as the difference between the net disposal proceeds and the carrying amount of the asset is included in the statement of profit and loss when the asset is derecognized.

Capital Work in progress consists of costs incurred on projects and other capital works under feasibility/ commission stage. Cost includes related incidental expenses.

Impairment is recognized for projects for which there is no further improvement and are considered as doubtful.

**Depreciation methods, estimated useful lives and residual value:** Depreciation is calculated using

the Straight-Line Method to allocate their cost, net of their residual values, over their estimated useful lives.

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

### Assets useful life (in years) from 1<sup>st</sup> April, 2022

Plant & Machinery	Useful Life (in Years)
Port Facilities- Continuous Process	5
Port Facilities- Non- Continuous Process	5
Pellet Plant - Continuous Process	5
Pellet Plant - Non- Continuous Process	5

The life of property, plant & equipment in Captive Power Plant has been estimated for 15 years from 1<sup>st</sup> April 2014 and for Blast France Unit has been estimated for 10 years from 1<sup>st</sup> April 2016 by expert committee constituted by the Management during the current year.

Other assets are depreciated in accordance with useful life of the assets as indicated in Part C of Schedule II of Companies Act, 2013.

## 1.6. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Subsequently, intangible assets are measured at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised over their estimated useful life on a straight-line basis.

### Recognition of intangible assets:

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

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

# Notes to the Financial Statements

Intangible assets are amortized over their respective estimated useful lives on a straight line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The estimated useful lives of intangible assets for the current and comparative period for computer software ranges from 3-10 years.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

## Derecognition of intangible asset

Intangible Assets are derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

## Recognition of intangible asset under development:

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

- i. Technical feasibility of completing the intangible asset so that it will be available for use or sale.
- ii. Intention to complete the intangible asset and use or sell it.
- iii. Ability to use or sell the intangible asset.
- iv. Entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness.

- v. Availability of adequate technical, financial and other resources to complete the development and to use.
- vi. Measure reliably the expenditure attributable to the intangible asset

Recognition of costs as an asset is ceased when the project is complete and available for its intended use, or if these criteria are no longer applicable. Where development activities do not meet the conditions for recognition as an asset, any associated expenditure is treated as an expense in the period in which it is incurred.

## 1.7. Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as Investment Property. Investment Property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

When part of an Investment Property is replaced, the carrying amount of the replaced part is derecognized.

Investment Properties are depreciated using Straight Line Method over their estimated useful lives. The useful life is determined based on technical evaluation performed by the management's expert.

## 1.8. Leases

### As a lessee

The company's lease assets satisfying the criteria of the right to control the use of an identified asset for a period of time in exchange for consideration providing substantially all of the economic benefits through the period of the lease are recognized as a lease liability with a corresponding 'right-of use' (ROU) asset at inception of contract except for leases with a term of twelve months or less (short-term leases) and low value leases.

For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

# Notes to the Financial Statements

Payment made towards short term leases (leases for which non-cancellable term is 12 months or less) and low value assets (lease of assets worth less than ₹ 5 Lakhs) are recognized in the statement of Profit and Loss as rental expenses over the tenor of such leases.

Variable lease payments based on market rental rate are part of the lease liability.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments that are not paid. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

## As a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

## 1.9. Mining rights

Mining rights are treated as Intangible Assets and all related costs thereof are amortized on the basis of annual production to the total estimated mineable reserves. In circumstances where a mining property is abandoned, the cumulative capitalized costs relating to the property are written off in the period in which it occurs i.e. when the Company determines that the mining property will not provide sufficient and sustainable returns relative to the risks and the Company decides not to proceed with the mine development.

All expenditure associated with the acquisition of mining rights including related professional fee, payment towards statutory forest clearance before execution of Mining Lease Deed and before technical feasibility and commercial viability of extracting mineral resources are demonstrable are treated as "Mining rights under acquisition" and are disclosed under the head "Intangible assets under development".

When the technical feasibility and commercial viability of extracting minerals resources are demonstrable and the development of the deposit is intended by the management. The cumulative capitalized cost is re-classified as Mining Rights.

# Notes to the Financial Statements

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in the Statement of Profit and Loss.

## 1.10. Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period. Intangible asset acquired free of charge or for a nominal amount, by way of government grant, shall be recognized at a nominal amount

Intangible assets which are not yet available for use are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired.

Fair value less costs of disposal is the price that would be received to sell the asset in an orderly transaction between market participants and does not reflect the effects of factors that may be specific to the Company and not applicable to entities in general.

Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal. The cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

Any reversal of the previously recognised impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

## 1.11. Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

Non-current assets classified as Held for Sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the Balance Sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the Balance Sheet.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Interest and the other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognized. An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of de-recognition.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinate plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of Profit and Loss.

## 1.12. Financial instrument

### Financial assets

The Company classifies its financial assets in the following measurement categories:

# Notes to the Financial Statements

- i) Those to be measured subsequently at fair value (either through Other Comprehensive Income, or through Profit or Loss), and
- ii) Those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses are recorded either in Profit or Loss or Other Comprehensive Income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this depends on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income.

## Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through Profit or Loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through Profit or Loss are expensed in Profit or Loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

## Debt instrument

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories when an instrument is classified as debt instrument:

- (i) **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized

in Profit or Loss when the asset is de-recognized or impaired.

- (ii) **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at Fair Value through Other Comprehensive Income (FVOCI). Movements in the carrying amount are taken through OCI except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Profit and Loss. When the financial asset is de-recognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Profit or Loss and recognized in other gains/ (losses).

- (iii) **Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at Fair Value through Profit or Loss and is not part of a hedging relationship is recognized in Profit or Loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises.

Changes in the fair value of financial assets at Fair Value through Profit or Loss are recognized in other gain/ (losses) in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

## Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- a) Financial assets that are debt instruments and are measured at amortised cost.
- b) Financial assets that are debt instruments and are measured as at FVOCI



# Notes to the Financial Statements

- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables, contract assets and lease receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

At each reporting date, for recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original effective interest rate.

## De-recognition of financial assets

A financial asset is derecognized only when: -

- (i) The Company has transferred the rights to receive cash flows from the financial asset or

- (ii) Retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

## Financial liabilities

The Company classifies its financial liabilities in the following

- (i) Those to be measured subsequently at fair value through Profit or Loss
- (ii) Those to be measured at amortized cost.

## Measurement

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The measurement of financial liabilities depends on their classification, as described below:

## Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

# Notes to the Financial Statements

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI.

These gains/losses are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

## Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings and trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

## Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification

is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

## Derivative financial instruments

### Initial recognition and subsequent measurement

In order to hedge its exposure to foreign exchange, the Company enters into forward contracts. The Company does not hold derivative financial instruments for speculative purposes.

Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value at the end of each reporting period.

Positive balance in derivatives are presented under financial Assets after Loans and negative balance in derivatives are presented as financial liabilities after trade payables as a separate line item.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

### Equity instrument

An equity instrument is any contract that evidences residual interests in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

### Off-setting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

# Notes to the Financial Statements

## 1.13. Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, Cash and Cash Equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## 1.14. Inventories

Stock of finished goods namely, Pellets and Pig Iron (including stock with the Consignment Agents) and semi-finished goods are valued at lower of cost and net realizable value. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its location and includes wherever applicable, appropriate overheads based on normal level of activity and are moved out of inventory on a weighted average basis. However, when the actual production is abnormally lower as compared to normal level, the expenditure of fixed nature is reduced in proportion to the shortfall.

Raw materials including materials in transit, stores & spares, consumables and additives are valued at lower of cost and net realizable value. However, these items are considered to be realisable at cost if the finished products in which they will be used, are expected to be sold at or above cost. The cost is computed on weighted average basis and the same is charged off to revenue on its issue.

By-products are valued at estimated net realizable value. Stores, Spares and Consumables with value less than ₹ 1,000 each at the end of the year, are charged to consumption.

Impairment is recognised for the value of non-moving stores & spares held for 5 years and above. The earlier recognised impairment is reversed when the circumstance that previously caused impairment recognition no longer exists or when there is clear evidence of an increase in net realisable value due to changes in economic circumstances.

## 1.15. Provisions, contingent liabilities and contingent assets

Provisions for legal claims, service warranties, volume discounts and returns are recognized when the Company has a present legal or constructive

obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the notes to financial statements.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefit is probable.

The Company has significant capital commitments in relation to various capital projects which are not recognised but disclosed in the notes to financial statements.

## 1.16. Employee benefits

**Short term obligations:** Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect

# Notes to the Financial Statements

of employees service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current Employee benefits payable in the balance sheet.

## Other long term employee benefit obligations:

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in Profit or Loss.

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

## Termination benefit

Compensation to employees under Voluntary Retirement Scheme is charged to Statement of Profit and Loss in the year of accrual.

## Defined benefit plan

**Gratuity:** The liability or asset recognized in the Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

**Provident fund:** The Company's provident funds are administered by Trust set up by the Company where the Company's obligation is to provide the agreed benefit to the employees and the actuarial risk and investment risk if any fall in substance on the Company is treated as a defined benefit plan. Liability with regard to such provident fund plans are accrued based on actuarial valuation, based on Projected Unit Credit Method, carried out by an independent actuary at the Balance Sheet date.

The present value of the defined benefit obligation denominated in Indian Rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of Profit and Loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in Profit or Loss as past service cost.

## Defined contribution plans

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the Employees' Pension Scheme, 1995 with the Government, superannuation fund and certain state plans like Employees' State Insurance and Employees' Pension Scheme. The Company's payments to the defined contribution plans are recognized as expenses during the period in which the employees perform the services that the payment covers.

## 1.17. Borrowing cost

Borrowing costs consists of interest expense and other cost incurred in connection with the borrowing of funds. Interest expense are recognized in the statement of profit and loss using the effective interest method.

Borrowing cost that are attributable to the acquisition or construction of the qualifying asset are capitalised as part of the cost of such asset. Where the funds used to finance a project form

# Notes to the Financial Statements

part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the Company during the year. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which the same are incurred.

## 1.18. Income tax

The Income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable Income Tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current Income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Income tax is provided in full using the Balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements."

However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred Income Tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or deferred income tax liability is settled.

Deferred Tax Assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Deferred tax is not to be recognized in

respect of non-taxable government grant where the grant is deducted from carrying amount of asset.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available in future to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in Profit or Loss, except to the extent that it relates to items recognized in Other Comprehensive Income or directly in Equity. In this case, the tax is also recognized in Other Comprehensive Income or directly in Equity, respectively.

## 1.19. Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the Profit or Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Monetary Government grant related to assets shall be presented by deducting the grant from the carrying amount of the asset and non-monetary grant shall be recognized at a nominal amount.

## 1.20. Foreign currency translation

### a) Functional and presentation currency:

Items included in the financial statement of the Company are measured using currency of the primary economic environment in



# Notes to the Financial Statements

which the entity operates ('the functional currency'). India being the primary economic environment of the company, the Financial Statements are presented in Indian Rupee (₹), which is Company's functional and presentation currency.

- b) Transactions and Balances:** Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in Profit or Loss.

## 1.21. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief operating decision maker (CODM). The Chairman cum Managing Director (CMD) assesses the financial performance and position of the Company and makes strategic decisions. Accordingly, the Chairman cum Managing Director has been identified as the Chief operating decision maker of the Company.

## 1.22. Earnings per share

**Basic earnings per share:** Basic earnings per share are calculated by dividing:

- i. The profit attributable to owners of the Company
- ii. By the weighted average number of Equity Shares outstanding during the Financial Year, adjusted for bonus elements in Equity Shares issued during the year and excluding treasury shares.

**Diluted earnings per share:** Diluted earnings per Share adjusts the figures used in the determination of basic Earnings per Share to take into account:

- i. The after-income tax effect of interest and other financing costs associated with dilutive potential Equity Shares, and
- ii. The weighted average number of additional Equity Shares that would have been outstanding assuming the conversion of all dilutive potential Equity Shares.

## 1.23. Exceptional items

Exceptional items are disclosed separately in the Financial Statements where it is necessary to do so to provide further understanding of the financial performance of the company. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

## 2. Summary of significant judgements and assumptions

The application of Accounting Standards and Policies requires the Company to make estimates and assumptions about future events that directly affect its reported financial condition and operation performance. The accounting estimates and assumptions discussed are those that the Company considers to be most critical to its Financial Statements. An accounting estimate is considered critical if both (a) the nature of estimates or assumptions is material due to the level of subjectivity and judgement involved, and (b) the impact within a reasonable range of outcomes of the estimates and assumptions is material to the Company's financial condition or operating performance.

### Revenue recognition

The Company uses the percentage of completion method using the input (cost expended) method to measure progress towards completion in respect of fixed price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labour costs, materials and productivity efficiencies.

As the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, recognized revenue and profit are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable. The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported

# Notes to the Financial Statements

amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

## Defined benefit plan assumption

The measurement of the Company's defined benefit obligation to its employees and net periodic defined benefit cost/income requires the use of certain assumptions, including, among others, estimates of discount rates and expected return on plan assets. Changes in these assumptions may affect the future funding requirements of the plans and actuarial gain/loss recognized in the statement of comprehensive income.

**Net realizable value and client demand:** The Company reviews the net realizable value of and demand for its inventory on a quarterly basis to ensure recorded inventory is stated at the lower of cost or net realizable value and that obsolete inventory is written off.

## Depreciation

Depreciation on property, plant and equipment has been provided on Straight Line Method except certain assets

for which higher rates were considered based on their estimated useful life as per the provisions of Schedule II of Companies Act, 2013.

Depreciation on property, plant and equipment other than Roads, Bridges and Culverts, Township, Furniture & Fittings, Computers, Vehicles are provided for their remaining value reduced by residual value over its remaining useful life as technically assessed. The residual values are reviewed periodically. As on 1<sup>st</sup> April, 2022 the remaining useful life of assets Pellet Plant and Port facility was estimated for 5 years, the useful left over life of Captive Power Plant is 15 years from 1<sup>st</sup> April, 2014 and Blast Furnace Unit is 10 years from 1<sup>st</sup> April, 2016. Additions during the year to Plant Machinery except Components/ Machinery whose useful life is different and capable of independent use, and limited to those useful life. Components/ Machinery whose useful life is different from respective plant and machinery and capable of independent use depreciated with respective useful life.

Temporary Structures has been provided for in full, retaining a nominal value of ₹1 per item.

The value of assets and the rate of depreciations adopted vis-a-vis the life and rate of depreciation as per Companies Act, 2013 are as follows:

Type of asset	As per Companies Act, 2013	Technical Committee Assessment (During the year 2022-23)	
	Useful life from the date of commissioning (years)	Useful life from (date)	Remaining useful life (years)
<b>Plant &amp; Machinery:</b>			
PF-Continuous process	25	01.04.2022	5
PF-Non continuous	15	01.04.2022	5
PP-Continuous process	25	01.04.2022	5
PP-Non continuous	15	01.04.2022	5
CPP	40	01.04.2014	15
BFU	20	01.04.2016	10

In respect of other assets i.e. Township Building, Roads-RCC and other than RCC, Furniture & Fittings - General, Furniture & Fittings - Canteen & Guest House, Motor Vehicles, Office Equipment's, Computers - Normal & Computers -Servers, the useful life as per Schedule II of the Companies Act, 2013 has been adopted.

Component accounting of tangible assets being mandatory, where cost of part of the asset significant to total cost of the asset and useful life of that part is different

from useful life of principal asset, the useful life of that significant part determined separately for computation of depreciation charge.

## COVID impact assessment

The Company has made assessment of impact of COVID-19 on its liquidity position for a period of at least one year from the Balance Sheet date, of the recoverability and carrying values of its assets comprising

# Notes to the Financial Statements

property, plant and equipment, intangible assets, trade receivables, inventory, investments, other current and non-current assets and ability to pay its liabilities as they become due and effectiveness of internal financial controls at the Balance Sheet date, and has concluded that there are no material impact or adjustment required in the Financial Statement.

Management believes that it has taken into account all the possible impact of known events arising from COVID-19 pandemic till the date of approval of its Financial Statements while preparing Financial Statements. Management is of the view that considering the nature of its business operations, existing customer and supplier relationship etc, impact on its business operations, if any, arising from COVID -19 pandemic is not expected to be significant

Based on the assessment, the Management feels that there shall not be any material impact on Going Concern Assumption due to COVID 19 as on the Balance Sheet date and next 12 months thereafter.

## Application of new and amended standards

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

### Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to

transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on the financial statement.

### Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

### Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on the financial statements

### Standards notified but not yet effective

There are no new standards that are notified, but not yet effective, upto the date of issuance of the Company's financial statements.

For and on behalf of Board of Directors

Sd/-  
**T. Saminathan**  
Chairman and Managing Director  
(DIN 08291153)

Sd/-  
**Manoj Kumar Jhavar**  
Director (Finance)  
(DIN 07306454)

as per our report of even date  
**for M/s YCRJ & Associates**  
Chartered Accountants  
(FRN: : 0069275)

Place : Bangalore  
Date : 30<sup>th</sup> May 2023

Sd/-  
**P K Mishra**  
Company Secretary  
A28174

Sd/-  
**CA. Rajnish Rama Rao**  
Partner  
MRN: 202465

# Notes to the Financial Statement

## Note 3.1 Property, Plant And Equipment



₹ in Lakhs

Sl. No.	Description of Assets	GROSS CARRYING AMOUNT			DEPRECIATION			NET CARRYING AMOUNT		
		Carrying amount as at 1 <sup>st</sup> April, 2022	Additions during the year	Sales/ Adjustments	Gross carrying as at 31 <sup>st</sup> March, 2023	Accumulated Depreciation as at 1 <sup>st</sup> April, 2022	For the year	Sales/ Adjustments	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>PROPERTY, PLANT AND EQUIPMENT</b>										
<b>MINES &amp; PLANT:</b>										
1.	Land - Freehold	2241.56	0.00	-	2,241.56	-	-	-	2,241.56	2,241.56
2	Buildings	5084.96	49.72	-	5,134.68	3198.45	204.62	-	1,731.61	1,886.51
3	Plant & equipment	23829.44	609.52	(25.20)	24,413.76	11497.73	1458.86	(23.21)	11,480.38	12,331.70
4	Furniture & fixtures	76.77	15.89	(0.01)	92.65	30.76	6.53	(0.01)	55.37	46.01
5	Vehicles	376.80	310.18	(5.78)	681.20	123.86	53.20	(5.78)	509.92	252.93
6	Office equipments	515.59	295.98	(13.69)	797.88	308.92	105.00	(9.90)	393.86	206.67
7	Others									
	Roads, bridges & culverts	117.38	273.75	-	391.13	64.84	31.17	-	295.12	52.55
	Temporary structures	5.23	1.39	-	6.62	4.84	1.59	-	0.19	0.39
	Water supply, sewerage & fire prevention system	246.38	0.00	-	246.38	127.21	14.54	-	104.63	119.17
	Electrical installation	1181.87	28.10	-	1,209.97	750.38	56.24	-	403.35	431.49
	<b>Sub Total</b>	<b>33,675.98</b>	<b>1,584.53</b>	<b>(44.68)</b>	<b>35,215.83</b>	<b>16,106.99</b>	<b>1,931.75</b>	<b>(38.90)</b>	<b>17,215.99</b>	<b>17,568.98</b>

# Notes to the Financial Statements

Sl. No.	Description of Assets	GROSS CARRYING AMOUNT				DEPRECIATION			NET CARRYING AMOUNT	
		Carrying amount as at 1 <sup>st</sup> April, 2022	Additions during the year	Sales/ Adjustments	Gross carrying as at 31 <sup>st</sup> March, 2023	Accumulated Depreciation as at 1 <sup>st</sup> April, 2022	For the year	Accumulated Depreciation as at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>PROPERTY, PLANT AND EQUIPMENT</b>										
<b>TOWNSHIP</b>										
1.	Land - Freehold	32.81	-	-	32.81	-	-	-	32.81	32.81
2	Buildings	238.85	8.62	-	247.47	45.62	6.11	51.73	195.74	193.23
3	Furniture & fixtures	11.00	1.43	(0.06)	12.37	7.86	0.81	8.62	3.75	3.14
4	Vehicles	21.89	-	-	21.89	8.71	1.88	10.59	11.30	13.18
5	Office equipments	28.43	3.04	0.00	31.47	9.56	2.50	12.06	19.41	18.86
6	Others									
	Roads, bridges & culverts	2.88	11.32	-	14.20	-	3.68	3.68	10.52	2.88
	Electrical installations	3.26	-	-	3.26	2.25	0.21	2.46	0.80	1.01
	Water supply, sewerage & fire prevention system	0.16	-	-	0.16	-	-	-	0.16	0.16
	<b>Sub Total</b>	<b>339.28</b>	<b>24.41</b>	<b>(0.06)</b>	<b>363.63</b>	<b>74.00</b>	<b>15.19</b>	<b>89.14</b>	<b>274.49</b>	<b>265.26</b>
	<b>Grand Total</b>	<b>34,015.26</b>	<b>1,608.94</b>	<b>(44.74)</b>	<b>35,579.46</b>	<b>16,180.99</b>	<b>1,946.94</b>	<b>18,088.98</b>	<b>17,490.48</b>	<b>17,834.24</b>
	<b>Previous year</b>	<b>31,030.57</b>	<b>3,642.85</b>	<b>(658.18)</b>	<b>34,015.26</b>	<b>13,627.11</b>	<b>2,554.48</b>	<b>16,180.99</b>	<b>17,834.24</b>	<b>17,403.46</b>

## Note:

- Freehold land of 114.31 Hectares located on Kudremukh wherein the Mining operation was closed w.e.f. 1<sup>st</sup> January, 2006 as per the order of Hon'ble Supreme Court. The book value of the land is ₹29.05 Lakhs classified under PPE.
- Increase in remaining useful life of property plant & equipment pertains to Pellet Plant Unit and Port Facilities by 5 years and 3 years respectively, refer note no.2 "Summary of significant judgement and assumptions - Depreciation", resulted in the reduction of depreciation by ₹ 759.32 Lakhs for the current year, ₹ 336.26 Lakhs for the year 2023-24 and increase in depreciation by @ ₹ 365.19 Lakhs p.a. for 3 years w.e.f. FY 24-25.



# Notes to the Financial Statements

## Additional information to Note No 3.1

### Fair value of property plant & equipment (Ind AS 16)

The following additional information is provided with reference to Ind AS 16, property plant and equipment.

		(₹ in Lakhs)	
S. No	Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
1	Carrying amount of temporarily idle property, plant and equipment	5,735.27	6,262.72
2	Gross carrying amount of any fully depreciated property, plant and equipment that is still in use	6,563.64	5,348.71
3	Carrying amount of property, plant and equipment retired from active use and not classified as held for sale in accordance with Ind AS 105	-	-
4	The fair value of property, plant and equipment, when this is materially different from the carrying amount.	99,256.87	85,332.61

The fair value of the property, plant and equipment (PPE) is determined on the basis of valuation carried out at the reporting date by independent valuer. The fair value measurement for PPE has been categorized as Level 3 based on the valuation techniques used and inputs applied. The main inputs considered by the valuer are government rates, property location, market research, market trend, contracted rentals, terminal yields, discount rates and comparable values, as appropriate. In estimating the fair value of the PPE, the highest and best use of the properties is their current use.

### Impairment of Assets (Ind AS 36)

The Company is having following two cash generated Units:

Pellet Plant Unit: The Pellet Plant Unit is continuously in operation and resulted in positive cash flow.

Pig Iron Plant Unit: Due to un-economic price of Pig Iron, Pig Iron Plant / Blast Furnace Unit (BFU) could not be operated during the year. After impairment test based on the net selling price as assessed by Approved Valuer, the recoverable amount in each class of assets in BFU are found to be more than the respective carrying amount. Hence, there is no impairment loss to be recognized during the year.

## 3.2 : Capital work-in-progress

		(₹ in Lakhs)	
Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022	
Machinery under installation	7,422.40	6,418.24	
Work in Progress*	9,831.45	5,339.15	
Less : Impairment	(619.32)	(619.32)	
<b>Total</b>	<b>9,212.13</b>	<b>4,719.83</b>	
	<b>16,634.53</b>	<b>11,138.07</b>	

\* An amount of ₹ 92.36 Lakhs included in capital work in progress for interest on borrowing (term loan) (previous year ₹ 0.34 Lakhs). The capitalization rate is 7.27% (Previous Year 6.85%).

# Notes to the Financial Statements

## (i) Movement of Capital work in progress

Particulars	(₹ in Lakhs)		
	Machinery under installation	Work in progress	Total
<b>For the year ended 31<sup>st</sup> March 2023</b>			
Opening gross carrying amount	6,418.24	5,339.15	11,757.39
Additions	1,852.60	4,852.52	6,705.12
Capitalization to property plant and equipment	(848.44)	(360.22)	(1,208.66)
<b>Closing gross carrying amount (A)</b>	<b>7,422.40</b>	<b>9,831.45</b>	<b>17,253.85</b>
Accumulated Impairment at the beginning of the year	-	619.32	619.32
Impairment/ (written off) during the year	-	-	-
<b>Accumulated impairment at the end of the year (B)</b>	<b>-</b>	<b>619.32</b>	<b>619.32</b>
<b>Closing net carrying amount (A-B)</b>	<b>7,422.40</b>	<b>9,212.13</b>	<b>16,634.53</b>
<b>For the year ended 31<sup>st</sup> March 2022</b>			
Opening gross carrying amount	753.34	3,523.50	4,276.84
Additions	7,086.48	4,283.23	11,369.71
Disposals	-	-	-
Capitalization to property plant and equipment	(1,421.58)	(2,467.59)	(3,889.17)
<b>Closing gross carrying amount (A)</b>	<b>6,418.24</b>	<b>5,339.15</b>	<b>11,757.38</b>
Accumulated Impairment at the beginning of the year	-	553.08	553.08
Impairment/ (written off) during the year	-	66.24	66.24
<b>Accumulated impairment at the end of the year (B)</b>	<b>-</b>	<b>619.32</b>	<b>619.32</b>
<b>Closing net carrying amount (A-B)</b>	<b>6,418.24</b>	<b>4,719.83</b>	<b>11,138.06</b>

## (ii) Capital work in progress ageing schedule:

### For the year ended 31<sup>st</sup> March 2023

Capital work in progress	Amount in Capital work in progress for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	6,148.83	9,751.62	547.40	186.68	<b>16,634.53</b>
Doubtful Projects	-	-	11.42	607.90	<b>619.32</b>
<b>Total</b>	<b>6,148.83</b>	<b>9,751.62</b>	<b>558.82</b>	<b>794.58</b>	<b>17,253.85</b>
Less: Accumulated Impairment*	-	-	(11.42)	(607.90)	<b>(619.32)</b>
<b>Capital work in progress</b>	<b>6,148.83</b>	<b>9,751.62</b>	<b>547.40</b>	<b>186.68</b>	<b>16,634.53</b>

### For the year ended 31<sup>st</sup> March 2022

Capital work in progress	Amount in Capital work in progress for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	10,238.34	713.05	115.95	70.73	<b>11,138.07</b>
Doubtful Projects	-	11.42	8.17	599.73	<b>619.32</b>
<b>Total</b>	<b>10,238.34</b>	<b>724.47</b>	<b>124.12</b>	<b>670.46</b>	<b>11,757.39</b>
Less: Accumulated Impairment*	-	(11.42)	(8.17)	(599.73)	<b>(619.32)</b>
<b>Capital work in progress</b>	<b>10,238.34</b>	<b>713.05</b>	<b>115.95</b>	<b>70.73</b>	<b>11,138.07</b>

**Note:** \* Projects for which there is no further improvement are treated as doubtful and 100% impairment recognised.

# Notes to the Financial Statements

(ii) Completion schedule regarding capital work in progress , whose completion is overdue:

## For the year ended 31<sup>st</sup> March 2023

(₹ in Lakhs)

Capital work in progress	To be completed in			
	< 1 year	1-2 years	2-3 years	> 3 years
Projects in progress				
Vertical pressure filter (VPF)*	8,336.54	-	-	-

## For the year ended 31<sup>st</sup> March 2022

(₹ in Lakhs)

Capital work in progress	To be completed in			
	< 1 year	1-2 years	2-3 years	> 3 years
Projects in progress				
Vertical pressure filter (VPF)*	6,886.07	-	-	-

\* The VPF project was scheduled to be completed during the FY 2021-22 and was delayed & re-scheduled for completion during the FY 2022-23. However, due to non-execution of conveyor system equipment by the vendor, resulted in further delay and expected to be completed during FY 2023-24.

## 3.3 : Right of use assets

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Land*	10,520.27	9,762.20
Building	14.81	29.62
<b>Total</b>	<b>10,535.08</b>	<b>9,791.82</b>

## Movement of right of use assets

### For the year ended 31<sup>st</sup> March 2023

(₹ in Lakhs)

Particulars	Category of right of use assets		Total
	Land*	Building	
Balance as at 1 <sup>st</sup> April, 2022	9,762.20	29.62	9,791.82
Additions	1,285.69	-	1,285.69
Depreciation	(527.62)	(14.81)	(542.43)
<b>Balance as at 31<sup>st</sup> March, 2023</b>	<b>10,520.27</b>	<b>14.81</b>	<b>10,535.08</b>

### For the year ended 31<sup>st</sup> March 2022

(₹ in Lakhs)

Particulars	Category of right of use assets		Total
	Land*	Building	
Balance as at 1 <sup>st</sup> April, 2021	9,632.29	17.20	9,649.49
Additions	657.25	44.44	691.51
Deletion	-	(10.18)	-

# Notes to the Financial Statements

(₹ in Lakhs)

Particulars	Category of right of use assets		Total
	Land*	Building	
Depreciation	(527.34)	(21.84)	(549.18)
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>9,762.20</b>	<b>29.62</b>	<b>9,791.82</b>

\* The ROU of land includes 17,483 sq. mtrs 99 years leasehold land which was acquired by the Company from Karnataka Industrial Areas Development Board (KIADB) on payment of upfront lease premium at the time of commencement of lease. Further during the year the Company has got demand for payment of additional lease premium for which ₹ 349.40 Lakhs added. The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss. The land allotted by KIADB at Doddaballapur to construct an R & D center, however due to certain pending approvals the R&D project yet to be commenced. We are in correspondence with KIADB for the revision of the entire lease agreement. We expect that the approval will be granted in the financial year 2023-2024 accordingly continued the lease land under ROU.

\*52.87 acres land valuing ₹ 657.25 lakhs taken under 20 years lease from KIADB, for the purpose of constructing a railway siding, the lease is valid till 29.12.2028 and thereafter sale deed to be executed in favour of the Company. This land has been classified under ROU during the previous year. Due to technical feasibility, the construction of railway siding is kept on hold. We are in correspondence with M/s KIADB for revision of the entire lease agreement and we expect the matter to be concluded in the FY 2023-24. We retained the classification as Right to use (ROU) asset as on 31<sup>st</sup> March 2023. The railway siding is required for transportation of Iron Ore from our captive Devdari mine to Pellet Plant.

## 4.1 : Other intangible assets

(₹ in Lakhs)

Particulars	As at	As at
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Computer software	213.38	130.21
Less: Amortisation accumulated	55.11	35.62
<b>Total</b>	<b>158.27</b>	<b>94.59</b>

## 4.2 : Intangible assets under development

(₹ in Lakhs)

Particulars	As at	As at
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Mining rights under acquisition (Refer Note No 28.3.5)	52,728.73	17,690.15
SAP Software under development/ acquisition	807.14	751.54
<b>Total</b>	<b>53,535.87</b>	<b>18,441.69</b>

## Movement of Other intangible assets (OIA) & Intangible assets under development (IAUD)

(₹ in Lakhs)

Note No/ Particulars	4.1 (OIA)		4.2 (IAUD)		Total
	Computer Software	Mining rights under acquisition	SAP Software		
<b>Gross block</b>					
<b>Cost as at 1<sup>st</sup> April , 2021</b>	<b>94.12</b>	<b>229.49</b>	<b>260.06</b>		<b>489.55</b>
Additions	36.09	17,460.66	491.48		17,952.14
Disposals	-	-	-		-
Transfers	-	-	-		-
<b>Cost as at 31<sup>st</sup> March, 2022</b>	<b>130.21</b>	<b>17,690.15</b>	<b>751.54</b>		<b>18,441.69</b>

# Notes to the Financial Statements

(₹ in Lakhs)

Note No/ Particulars	4.1 (OIA)	4.2 (IAUD)		Total
	Computer Software	Mining rights under acquisition	SAP Software	
Additions	131.97	35,038.58	55.60	35,094.18
Disposals	(48.80)	-	-	-
Transfers	-	-	-	-
<b>Cost as at 31<sup>st</sup> March, 2023</b>	<b>213.38</b>	<b>52,728.73</b>	<b>807.14</b>	<b>53,535.87</b>
<b>Accumulated amortisation &amp; impairment</b>				
<b>Accumulated amortisation as at 1<sup>st</sup> April, 2021</b>	<b>21.05</b>	-	-	-
Amortisation for the year	14.57	-	-	-
Disposals	-	-	-	-
<b>Accumulated amortisation as at 31<sup>st</sup> March, 2022</b>	<b>35.62</b>	-	-	-
Amortization for the year	35.88	-	-	-
Disposals	(16.39)	-	-	-
<b>Accumulated amortisation as at 31<sup>st</sup> March, 2023</b>	<b>55.11</b>	-	-	-
<b>Net Carrying amount</b>				
<b>As at 31<sup>st</sup> March, 2022</b>	<b>94.59</b>	<b>17,690.15</b>	<b>751.54</b>	<b>18,441.69</b>
<b>As at 31<sup>st</sup> March, 2023</b>	<b>158.27</b>	<b>52,728.73</b>	<b>807.14</b>	<b>53,535.87</b>

(i) Intangible assets under development ageing schedule:

For the year ended 31<sup>st</sup> March 2023

(₹ in Lakhs)

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
<b>Projects in progress</b>					
Mining Rights under Acquisition	35,038.58	17,460.66	144.90	84.59	52,728.73
SAP Software under Development/ Acquisition	55.60	491.48	255.81	4.25	807.14
<b>Total</b>	<b>35,094.18</b>	<b>17,952.14</b>	<b>400.71</b>	<b>88.84</b>	<b>53,535.87</b>

For the year ended 31<sup>st</sup> March 2022

(₹ in Lakhs)

Intangible assets under development	Amount in intangible assets under development for a period of				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
<b>Projects in progress</b>					
Mining Rights under Acquisition	17,460.66	144.90	20.78	63.81	17,690.15
SAP Software under Development/ Acquisition	491.48	255.81	4.25	-	751.54
<b>Total</b>	<b>17,952.14</b>	<b>400.71</b>	<b>25.03</b>	<b>63.81</b>	<b>18,441.69</b>



# Notes to the Financial Statements

(ii) Completion schedule regarding intangible assets under development, whose completion is overdue

For the year ended 31<sup>st</sup> March 2023

Intangible assets under development	To be completed in			
	< 1 year	1-2 years	2-3 years	> 3 years
<b>Projects in progress</b>				
SAP Software under Development/ Acquisition*	807.14	-	-	-

(₹ in Lakhs)

For the year ended 31<sup>st</sup> March 2022

Intangible assets under development	Amount in intangible assets under development for a period of			
	< 1 year	1-2 years	2-3 years	> 3 years
<b>Projects in progress</b>				
SAP Software under Development/ Acquisition*	751.54	-	-	-

(₹ in Lakhs)

\* The SAP software project was scheduled to be completed during the FY 2021-22 and was delayed due to Covid 19 pandemic & re-scheduled for completion during the FY 2022-23. However, due to delay in on boarding few key resources for end-to-end configuration the management expected the completion of the project during FY 2023-24.

## 5.1 : Loans (Non-current)

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Loans to Others		
Considered good - unsecured		
Loans to employees	226.09	248.95
Loans receivables- credit impaired*	1,800.00	1,800.00
<b>Total</b>	<b>2,026.09</b>	<b>2,048.95</b>
Less: Allowance for bad and doubtful loans*	1,800.00	1,800.00
<b>Total</b>	<b>226.09</b>	<b>248.95</b>

\* The Company had extended ₹ 18 Crores inter-corporate loans to Hindustan Photo Films Mfg Company Ltd (HPF Ltd) during 1992-93. HPF Ltd has been declared to be sick under Sick Industrial Companies (Special provisions) Act 1985 in January 1996. Provision towards 100% of the said loan made in the books. The NCLT, Chennai has appointed Resolution Professional. The Resolution Professional has been appointed as official liquidator. The claim lodged by the Company has been admitted by the liquidator. The liquidator vide letter dated 13.04.2023 forwarded the Resolution Plan and ₹ 64,190 has been allocated under the plan to the Company for part of the assets sold under resolution process and the same an amount of ₹ 38,848 received on 18.05.2023 after adjustment of expenditure of ₹ 25,342 and the same will be recognised in FY 2023-24.

## 5.2 : Other financial assets (Non-current)

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Security deposits - DISCOMs	1,181.50	981.62
Deposit- with LIC for discontinued retired pension scheme	15.29	15.68
Deposit- others*	145.36	34.26
<b>Total</b>	<b>1,342.15</b>	<b>1,031.56</b>

\*Deposit - Others includes security deposit and earnest money deposits



# Notes to the Financial Statements

## 6 : Deferred tax assets (net)

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Deferred tax assets	5,541.07	3,499.95
Deferred tax liabilities	2,504.74	2,848.66
<b>Net deferred tax assets</b>	<b>3,036.33</b>	<b>651.29</b>

### Item wise details of deferred tax asset (Net)

#### For the year ended 31<sup>st</sup> March, 2023

(₹ in Lakhs)

Particulars	As on 1 <sup>st</sup> April, 2022	Provided during the year in statement of Profit and Loss	Provided during the year in OCI	Balance as on 31 <sup>st</sup> March, 2023
Related to property plant & equipment & intangible assets	(2,669.48)	191.60	-	(2,477.88)
Right of use of assets	157.12	(183.98)	-	(26.86)
Provision for bad and doubtful loan	453.02	-	-	453.02
Provisions	2,889.81	(253.65)	(137.14)	2,499.02
Unabsorbed Business loss	-	2,547.10	-	2,547.10
Others	(179.18)	221.11	-	41.93
<b>Total</b>	<b>651.29</b>	<b>2,522.18</b>	<b>(137.14)</b>	<b>3,036.33</b>

#### For the year ended 31<sup>st</sup> March, 2022

(₹ in Lakhs)

Particulars	As on 1 <sup>st</sup> April, 2021	Provided during the year in statement of Profit and Loss	Provided during the year in OCI	Balance as on 31 <sup>st</sup> March, 2022
Related to property plant & equipment & intangible assets	(2,936.77)	267.29	-	(2,669.48)
Right of use of assets	117.10	40.02	-	157.12
Provision for bad and doubtful loan	453.02	-	-	453.02
Provisions	2,836.17	170.42	(116.78)	2,889.81
Unabsorbed Business loss	-	-	-	-
Others	101.65	(280.83)	-	(179.18)
<b>Total</b>	<b>571.17</b>	<b>196.90</b>	<b>(116.78)</b>	<b>651.29</b>

## 7 : Other non-current assets

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Deposit with Government and other authorities paid under protest	2,641.70	2,641.70
Capital advance	37.41	-
Net defined benefit assets - Gratuity	81.02	-
<b>Total</b>	<b>2,760.13</b>	<b>2,641.70</b>

# Notes to the Financial Statements

## 8: Inventories

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
(a) Raw materials*	12,199.30	20,493.44
(b) Work in progress	1,935.48	5,571.36
(c) Finished goods- Pellets	6,134.81	1,515.02
(d) Stores and spares #^	9,224.97	7,225.72
Less : Provision for impairment ^	2,013.45	2,049.23
	7,211.52	5,176.49
(e) Consumables and additives	5,837.35	1,818.32
<b>Total</b>	<b>33,318.46</b>	<b>34,574.63</b>

\* Raw materials includes goods in transit amounting to ₹ 929.71 lakhs (₹ 14,597.35 lakhs as on 31<sup>st</sup> March 2022)

# Stores and spares includes goods in transit amounting to ₹ 150.52 lakhs (₹ 7.75 lakhs as on 31<sup>st</sup> March 2022)

^ Impairment is recognised for the value of non-moving stores & spares held for 5 years and above. Provision recognised in earlier years for ₹ 35.78 lakhs (net) reversed during the current year against items now classified as moving items based on usage included in Note no 18.2 "Other Income- Provision no longer required (Net)". (Previous year net additional provision recognised ₹ 28.35 lakhs included in Note no 24 " Other expenses- Provision for surplus stores, DDR and others".)

-For method of valuation for each class of Inventories refer Note No. 1.14

## 9.1 : Trade receivables (Current)

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
(i) Considered good secured	33,673.17	27,988.88
(ii) Considered good unsecured	1,829.23	1,272.30
<b>Gross Receivables</b>	<b>35,502.40</b>	<b>29,261.18</b>
Less : Allowance for bad and doubtful debts	(80.00)	(75.00)
<b>Total</b>	<b>35,422.40</b>	<b>29,186.18</b>

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At regular intervals, the historically observed default rates are updated and changes in forward-looking estimates are analysed.

### Estimated matrix at the reporting date:

Particulars	Aging				
	less than 90 days	90-180 days	180-270 days	270-360 days	More than 365 days
Default rate as at 31 <sup>st</sup> March 2023	6.08%	32.09%	58.87%	76.07%	100.00%

# Notes to the Financial Statements

Estimated matrix at the previous reporting date:

Particulars	Aging				
	less than 90 days	90-180 days	180-270 days	270-360 days	More than 365 days
Default rate as at 31 <sup>st</sup> March 2022	0.08%	18.39%	38.36%	57.89%	100.00%

Movement in the expected credit loss allowance

Particulars	(₹ in Lakhs)	
	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
Balance as at beginning of the period	75.00	-
Provision for allowance of expected credit loss	5.00	75.00
Bad debts written off during the period	-	-
<b>Balance as at end of the period</b>	<b>80.00</b>	<b>75.00</b>

Trade receivables ageing schedule:

For the year ended 31<sup>st</sup> March, 2023

Particulars	Not Due	Outstanding for the following period from due date of payments:					Total
		< 6 months	6 months-1 year	1-2 years	2-3 years	> 3 years	
		(₹ in Lakhs)					
Undisputed trade receivables -considered good	946.37	34,526.24	6.39	12.41	6.45	4.54	<b>35,502.40</b>

For the year ended 31<sup>st</sup> March, 2022

Particulars	Not Due	Outstanding for the following period from due date of payments:					Total
		< 6 months	6 months-1 year	1-2 years	2-3 years	> 3 years	
		(₹ in Lakhs)					
Undisputed trade receivables -considered good	825.18	28,381.05	10.69	39.72	0.17	4.37	<b>29,261.18</b>

## 9.2 : Cash and cash equivalents

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Balances with banks		
In current account	767.01	671.30
In deposit account (maturity of less than 3 months)*	50,091.00	34,499.83
	50,858.01	35,171.13
Stamps in hand (Unfranked balance)	0.19	0.07
<b>Total</b>	<b>50,858.20</b>	<b>35,171.20</b>

# Notes to the Financial Statements

\*\* The Company is having arrangement with Union Bank, Canara Bank, Punjab National Bank and State Bank of India regarding secured overdraft limit (against term deposit) as on 31<sup>st</sup> March,2023, the respective bank marked lien on the term deposit valuing ₹ 8,068.00 lakhs, ₹ 9,145.00 lakhs, ₹ 3,383.00 Lakhs and ₹ 8,898.00 Lakhs respectively. (Previous year ₹ 3,399.98 lakhs and ₹ 7,399.98 lakhs, Nil and Nil respectively).

Refer note no 28.3.14."

## 9.3 : Bank balances other than cash and cash equivalents

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
(i) Other bank balances		
In term deposits (maturity of more than 3 months but less than 12 months)*	26,467.34	75,584.00
(ii) Earmarked unpaid dividend accounts	2.96	2.72
<b>Total</b>	<b>26,470.30</b>	<b>75,586.72</b>

\*\* The Company is having arrangement with Union Bank, Canara Bank, Punjab National Bank and State Bank of India regarding secured overdraft limit (against term deposit) as on 31<sup>st</sup> March,2023, the respective bank marked lien on the term deposit valuing ₹ 6,230.00 lakhs, Nil, Nil and ₹ 14,950.00 Lakhs respectively. (Previous year ₹ 6,674.00 lakhs, ₹ 6,674.00 lakhs, Nil and Nil respectively).

Refer note no 28.3.14."

## 9.4 : Loans (Current)

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Loans to others		
Considered good - unsecured		
Loans to employees	72.36	82.20
<b>Total</b>	<b>72.36</b>	<b>82.20</b>

## 9.5 : Other financial assets (Current)

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Contract assets	-	67.55
Derivative assets	36.01	107.93
Accrued interest on bank deposits	3,119.84	2,649.69
Security deposit	5.53	6.18
Deposit- with LIC for discontinued retired pension scheme	0.62	0.85
Other receivables*	67.01	73.53
<b>Total</b>	<b>3,229.01</b>	<b>2,905.73</b>

\*Other receivables comprises of receivable on account of rentals, recoveries from employees, electricity charges recovery etc.



# Notes to the Financial Statements

## 10. Current tax assets/(Liability) (Net)

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Advance income tax (including tax deducted at source)	34,830.28	33,540.12
Less : Provision for income tax	29,994.36	29,987.26
<b>Net current income tax asset/ (liability) at the end</b>	<b>4,835.92</b>	<b>3,552.86</b>

## 11 : Other current assets

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Balances with Government authorities	21,374.43	15,716.00
Advances		
Material advances provided to vendors	11,190.48	5,501.01
Others*	97.08	464.83
<b>Subtotal</b>	<b>11,287.56</b>	<b>5,965.84</b>
Prepaid expenses	182.59	137.91
Prepaid toward CSR expenditure	864.21	899.19
Others**	170.16	424.82
<b>Total</b>	<b>33,878.95</b>	<b>23,143.76</b>

\*Other advances contains advance provided against insurance and security services etc.

\*\*Others includes refund receivable for railway freight from railway authority, gold coin, reimbursement of expenses etc

## 12.1 : Equity share capital

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Authorised :</b>	67,500.00	67,500.00
67,50,00,000 Equity shares of ₹ 10/- each (Previous year 67,50,00,000 Equity shares of ₹ 10/- each)		
<b>Issued, subscribed and fully paid-up :</b>	60,775.11	60,775.11
60,77,51,096 Equity Shares of ₹ 10/- each (Previous Year 60,77,51,096 Shares of ₹ 10/- each)		
<b>Total</b>	<b>60,775.11</b>	<b>60,775.11</b>
<b>Equity share capital reconciliation</b>		
No of equity shares with the face value of ₹ 10 each at the beginning of the period	60,77,51,096	60,77,51,096
No. of equity shares at the end of the period	60,77,51,096	60,77,51,096
<b>Equity share capital</b>	<b>60,775.11</b>	<b>60,775.11</b>

- a) Terms and rights attached to Equity Shares - The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholder in ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation of the Company, the shareholders will be eligible to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

# Notes to the Financial Statements

## b) Details of shareholders holding more than 5% shares in the Company:

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

## c) Shareholding of promoters :

Promoter Name	Shares held by promoters at the end of the year		Shares held by promoters at the beginning of the year		% Change during the year
	No. of Shares	%of total shares	No. of Shares	%of total shares	
Hon'ble President of India	601,877,627	99.03%	601,877,627	99.03%	Nil

For the period of preceding five years as on the Balance Sheet Date

Particulars	Number of shares
(a) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash	Nil
(b) Aggregate number of shares allotted as fully paid up by way of bonus shares	Nil
(c) Aggregate number and class of shares bought back	
- During FY 2020-21 (Dec 2020)	14174469
- During FY 2018-19 (Nov 2018)	12588235

## 12.2 : Other equity

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Capital redemption reserve	2,676.27	2,676.27
General reserve	1,02,249.37	1,02,249.37
Retained earnings	32,217.00	46,784.93
Other comprehensive income	2,285.92	1,878.17
<b>Total</b>	<b>1,39,428.56</b>	<b>1,53,588.74</b>

### a) General reserve:

The general reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

### b) Capital redemption reserve

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilized in accordance with the provisions of Section 69 of the Companies Act, 2013.

### c) Retained Earnings:

This reserve represents undistributed accumulated earnings of the Company as on balance sheet date.

# Notes to the Financial Statements

## d) Other Comprehensive Income:

Other comprehensive income consist of re-measurement of net defined benefit liability/asset.

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Capital redemption reserve		
Balance at beginning of the year	2,676.27	2,676.27
Movement	-	-
<b>Balance at end of year</b>	<b>2,676.27</b>	<b>2,676.27</b>
General reserve		
Balance at beginning of the year	1,02,249.37	1,02,249.37
Movement	-	-
<b>Balance at end of year</b>	<b>1,02,249.37</b>	<b>1,02,249.37</b>
Retained earnings		
Balance at beginning of the year	46,784.93	31,367.36
Movement	-	-
Add: Profit/ (Loss) for the year	(9,766.70)	31,340.65
Less : Dividend for the year 2020-21	-	(9,967.12)
Less : Interim dividend for the year 2021-22	-	(5,955.96)
Less : Final dividend for the year 2021-22	(4,801.23)	-
<b>Balance at end of year</b>	<b>32,217.00</b>	<b>46,784.93</b>
<b>Other comprehensive income</b>		
Balance at beginning of the year	1,878.17	1530.96
Movement	-	-
Add/(Less) : Re-measurements of defined benefits obligations (Net of Tax)	407.75	347.21
<b>Balance at end of year</b>	<b>2,285.92</b>	<b>1,878.17</b>

## 13.1 : Borrowings

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Secured		
Term Loan- Canara bank, Mangalore	3,083.00	900.00
<b>Total</b>	<b>3,083.00</b>	<b>900.00</b>

Term loan availed from Canara bank for setting of non recovery coke oven and ductile iron spun pipe at BFU Mangalore with exclusive charge hypothecation on project assets currently, structure assets, civil work, structure work and plant & equipment's, financed out of the term loan. Applicable rate of interest is 3 months MCLR with annual reset. Loan tenure is 12 years (door to door tenure) including 4 years moratorium period, repayable in 32 quarterly instalments and interest to be served as and when due. The loan has been utilized for the purpose for which it was availed.

# Notes to the Financial Statements

## 13.2 : Lease Liabilities (Non-current)

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Land	10,691.40	10433.73
Building	-	14.18
<b>Total</b>	<b>10,691.40</b>	<b>10,447.91</b>

Movement of Lease liability disclosed at Note No 28.2.5

## 13.3 : Other financial liabilities (Non-current)

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Security deposits from suppliers, contractors and others	82.21	59.89
<b>Total</b>	<b>82.21</b>	<b>59.89</b>

## 14 : Provisions (Non-current)

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Provision for Employee Benefits		
Gratuity	-	62.79
Compensated absence - earned leave and sick leave	5,936.54	5,979.56
Provident fund interest guarantee obligation	439.01	458.88
	6,375.55	6,501.23
Provision for others		
Restoration of Kudremukh Mine and Mine Closure	2,361.40	2,711.40
<b>Total</b>	<b>8,736.95</b>	<b>9,212.63</b>

### Movement of Provision for others

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Balance at the beginning of the year	2,711.40	2,711.40
Recognised/ (released) during the year	(350.00)	-
Utilised during the year	-	-
<b>Balance at the end of the year</b>	<b>2,361.40</b>	<b>2,711.40</b>

## 15.1 : Borrowings (Current)

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Overdraft - Secured	38,082.11	-
	<b>38,082.11</b>	

# Notes to the Financial Statements

"The Company is having arrangement with Union Bank, Canara Bank, Punjab National Bank and State Bank of India regarding secured overdraft limit (against term deposit) as at 31<sup>st</sup> March,2023 outstanding balance was ₹ 12,856.85 lakhs, Nil , ₹ 2,927.20 Lakhs and ₹ 2,2298.06 Lakhs respectively. (As at 31<sup>st</sup> March, 2022 outstanding balance was Nil).

Refer note no 9.2, 9.3 and 28.3.14."

## 15.2 : Lease liabilities (Current)

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Land	1,860.18	1,212.66
Building	16.03	16.63
<b>Total</b>	<b>1,876.21</b>	<b>1,229.29</b>

## 15.3 : Trade payables

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Trade Payables		
(i) total outstanding dues of micro and small enterprises	1,338.08	800.66
(ii) total outstanding dues of creditors other than micro and small enterprises	15,147.10	12550.62
<b>Grand Total</b>	<b>16,485.18</b>	<b>13,351.28</b>

## Disclosure Relating to Micro and Small Enterprises

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
i) The principal amount remaining unpaid to the supplier as at the end of the year	1,338.08	800.66
ii) The interest due on the above amount, remaining unpaid to the supplier as at the end of the year.	Nil	Nil
iii) the amount of interest paid in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
iv) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act,2006;	Nil	Nil
v) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
vi) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

# Notes to the Financial Statements

## Trade Payables ageing schedule:

for the year ended 31<sup>st</sup> March, 2023

(₹ in Lakhs)

Particulars	Unbilled	Not Due	Outstanding for the following period from due date of payments				Total
			< 1 year	1-2 years	2-3 years	> 3 years	
(i) MSME	635.41	382.05	320.62	-	-	-	1,338.08
(ii) Others	2,867.10	370.46	4,209.24	-	-	9.45	7,456.25
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	7,690.85	7,690.85
<b>Total</b>	<b>3,502.51</b>	<b>752.51</b>	<b>4,529.86</b>	<b>-</b>	<b>-</b>	<b>7,700.30</b>	<b>16,484.18</b>

for the year ended 31<sup>st</sup> March, 2022

(₹ in Lakhs)

Particulars	Unbilled	Not Due	Outstanding for the following period from due date of payments				Total
			< 1 year	1-2 years	2-3 years	> 3 years	
(i) MSME	588.37	170.32	41.97	-	-	-	800.66
(ii) Others	3,402.95	1,432.22	15.15	-	-	9.45	4,859.77
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	7,690.85	7,690.85
<b>Total</b>	<b>3,991.32</b>	<b>1,602.54</b>	<b>57.12</b>	<b>-</b>	<b>-</b>	<b>7,700.30</b>	<b>13,351.28</b>

## 15.4 : Other financial liabilities (Current)

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Security deposits from suppliers, contractors and others	1522.71	1289.79
Earnest money deposit from suppliers, contractors and others	101.05	71.24
Employee benefits payable	3,203.66	5,064.12
Interest on borrowings - term loan from Canara Bank	1.33	0.34
Accrued expenses	3,930.00	4,223.83
<b>Total</b>	<b>8,758.75</b>	<b>10,649.32</b>

## 16: Other current liabilities

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Contract liabilities	2,364.78	2,289.52
Unclaimed dividend	2.96	2.72
Statutory remittances	1,426.41	1,049.16
<b>Total</b>	<b>3,794.15</b>	<b>3,341.40</b>



# Notes to the Financial Statements

## 17 Provisions (Current)

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Provision for Employee Benefits		
Gratuity	-	5.02
Other superannuation benefits	958.41	1,359.92
Compensated absence - earned leave and sick leave	727.15	902.02
Provident fund interest guarantee obligation	325.34	254.66
<b>Total</b>	<b>2010.90</b>	<b>2521.62</b>

## 18.1 : Revenue from operation

Particulars	(₹ in Lakhs)	
	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
Sale of products		
Pellets	1,51,802.18	2,98,015.21
Auxiliary	470.91	114.60
<b>Net sales</b>	<b>1,52,273.09</b>	<b>2,98,129.81</b>
Sale of services	2,047.26	2,490.79
Other operating revenue		
Despatch money	21.25	24.54
<b>Total</b>	<b>1,54,341.60</b>	<b>3,00,645.14</b>

1. Sale of Products are generally against advance payment by customers or are against letters of credit/ cash against documents and proceeds are realised within one month period. Accordingly, the amount of consideration does not contain any significant financing component.
2. Sale of Services are rendered to Departments of Central Government/State Government / Central PSUs/ State PSUs/ Corporates with short term credit period of one- two months and does not contain any significant financing component.
3. As per the terms of the contract with its customers, the Company has a right to receive consideration from its customers for all completed performance obligations. Accordingly, the Company has availed the practical expedient available under paragraph 121 of Ind AS 115 and dispensed with the additional disclosures with respect to performance obligations that remained unsatisfied (or partially unsatisfied) at the balance sheet date. Further, since the terms of the contracts directly identify the transaction price for each of the completed performance obligations there are no elements of transaction price which have not been included in the revenue recognized in the financial statements. Further, there is no material difference between the contract price and the revenue from contract with customers.

## 18.2 : Other Income

Particulars	(₹ in Lakhs)	
	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
Interest income on financial assets measured at amortised cost		
On deposits with banks	6,156.73	6,227.10
Others*	65.33	53.48
Net gain on financial assets designated at fair value through profit or loss	463.80	339.08

# Notes to the Financial Statements

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
<b>Other Non-operating income</b>		
Provision no longer required (Net)	459.34	-
Sale of Scrap	438.73	560.83
Net gain in foreign exchange fluctuation	59.30	
Rent Income	255.91	170.03
Net gain on disposal of property, plant and equipment	17.15	8.69
Hire charges	0.15	7.34
Others**	123.23	62.73
<b>Total</b>	<b>8,039.67</b>	<b>7,429.28</b>

\* Other includes interest on security deposit from DISCOM, loan to employees, contractual defaults etc. Interest income from contractual default is recognised as and when reasonable certainty exists for realization.

\*\*Other includes sale of tender document, liquidated damage, claims etc.

## 19.1 Cost of materials consumed

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
Iron ore fines	1,13,178.75	1,96,326.08
<b>Total</b>	<b>1,13,178.75</b>	<b>1,96,326.08</b>

## 19.2 : Changes in Inventories (Increase)/Decrease

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
<b>Finished Stock-Pellet</b>		
Balance as at the beginning of the year	1,515.02	4,645.51
Less: Balance as at the end of the year	6,134.81	1,515.02
<b>Change in Inventories- Finished Goods</b>	<b>(4,619.79)</b>	<b>3,130.49</b>
<b>Work in progress-Pellet feed</b>		
Balance as at the beginning of the year	5,571.36	5,858.40
Less: Balance as at the end of the year	1,935.48	5,571.36
<b>Change in Inventories- Work- in progress</b>	<b>3,635.88</b>	<b>287.04</b>
<b>Total</b>	<b>(983.91)</b>	<b>3,417.53</b>

## 19.3 Cost of consumable stores spares & additives

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
Cost of stores & spares consumed	6,315.91	5,268.98
Cost of consumables & additives consumed	7,389.46	5,858.19
<b>Total</b>	<b>13,705.37</b>	<b>11,127.17</b>

# Notes to the Financial Statements

## 19.4 Power & fuel

Particulars	(₹ in Lakhs)	
	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
Power	5,504.37	7,312.42
Fuel- furnace oil	14,072.79	17,442.03
<b>Total</b>	<b>19,577.16</b>	<b>24,754.45</b>

## 20 : Direct cost towards service contract

Particulars	(₹ in Lakhs)	
	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
Service contract	1,029.98	1,875.71
Exploration services	325.51	13.79
<b>Total</b>	<b>1,355.49</b>	<b>1,889.50</b>

## 21 : Employee benefits expense

Particulars	(₹ in Lakhs)	
	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
Salaries and wages	13,202.46	15,566.21
Contribution to provident and other funds	2,495.42	2,633.27
Staff welfare expenses	915.38	633.36
<b>Total</b>	<b>16,613.26</b>	<b>18,832.84</b>

## 22 : Finance costs

Particulars	(₹ in Lakhs)	
	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
<b>Interest expenses in financial liabilities measured at amortized cost</b>		
Interest on short term borrowings	459.19	171.51
Interest On lease liabilities	904.73	892.45
Interest on Income Tax	-	156.70
<b>Total</b>	<b>1,363.92</b>	<b>1220.66</b>

## 23: Depreciation and amortization Expenses

Particulars	(₹ in Lakhs)	
	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
Property plant and equipment	1,946.94	2,554.48
Right of use assets	542.43	549.18
Other intangible assets	35.88	14.57
<b>Total</b>	<b>2,525.25</b>	<b>3,118.23</b>

# Notes to the Financial Statements

## 24 : Other Expenses

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
Rent	22.55	13.64
Rates and taxes	667.88	117.78
Insurance charges	84.65	89.90
Travelling expenses	198.15	58.38
Repairs and Maintenance		
Building	767.67	481.03
Machinery	1,118.43	1,219.53
Others	291.47	249.41
	2,177.57	1,949.97
Postage and telephone charges	25.94	37.42
Advertisement and publicity	92.41	53.04
Expenses on security	1,250.28	1,198.87
Payment to auditors		
for Audit	8.50	8.50
for Taxation matters	1.65	1.65
for Other services	1.50	1.40
for Reimbursement of expenses	0.50	0.50
	12.15	12.05
Cost audit fee and reimbursement expenses	0.50	0.50
Demurrage charges	75.00	20.89
Port charges, sampling survey and cess	1,249.90	1,058.75
Bank charges including discounting of bills	13.00	19.69
Entertainment	13.75	11.41
Forest, ecology & pollution control expenses	111.09	95.94
Directors Sitting fees	13.42	12.40
Corporate social responsibility*	589.96	442.28
Provision for Surplus Stores, DDRs and others	-	28.35
Exchange variation	-	211.77
Miscellaneous expenses	723.31	851.75
<b>Total</b>	<b>7,321.51</b>	<b>6,284.78</b>
<b>*Information on CSR Expenditure</b>		
CSR expenditure made during the year	554.98	1,341.47
CSR expenditure carry forward for set off in subsequent years	-	(899.19)
CSR expenditure set off out of carry forward	34.98	-
CSR expenditure for the year	589.96	442.28
<b>Additional disclosure with regard to CSR activities are summarized below:</b>		
Amount required to be spent by the company during the year	589.96	438.70
Amount of expenditure incurred by the Company during the year	589.96	442.28
Shortfall at the end of the year	Nil	Nil
Total of previous years shortfall	Nil	Nil
Voluntarily	Nil	3.58

# Notes to the Financial Statements

## Nature of CSR Expenditure

During the year the Company has spent ₹ 589.96 Lakhs (including ₹ 196.10 Lakhs against on- going projects and ₹ 34.98 Lakhs set off out of CSR expenditure brought forward) towards health care, promotion of education, eradicating hunger and poverty nutrition, community development. Previous year ₹ 442.28 Lakhs (no expenditure on ongoing projects and set off from previous year.)

## 25 : Tax expense

Particulars	(₹ in Lakhs)	
	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
(a) Current tax relating to		
Current year	-	11,367.85
Earlier years	13.34	(1,408.42)
<b>Total current tax</b>	<b>13.34</b>	<b>9,959.43</b>
(b) Deferred tax	(2522.17)	(196.90)
<b>Total</b>	<b>(2508.83)</b>	<b>9,762.53</b>
<b>Reconciliation between the average effective tax rate and the applicable tax rate:</b>		
Profit before taxes	(12275.53)	41,103.18
Tax rate as per applicable tax laws	25.17%	25.17%
Computed tax expense	Nil	10,344.44
Tax effect of		
Depreciation	Nil	243.86
CSR expenditure	Nil	111.33
Provisions	Nil	902.33
Lease/ROU	Nil	40.02
Donations	Nil	(251.67)
Other items	Nil	(22.46)
<b>Total adjustment</b>	<b>Nil</b>	<b>1,023.41</b>
<b>Current Tax</b>	<b>Nil</b>	<b>11,367.85</b>

## 26 : Other Comprehensive Income

Particulars	(₹ in Lakhs)	
	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
Items that will not be re-classified to Profit and Loss		
Remeasurement of defined benefit plan	544.89	463.99
Less : Tax (expenses)/benefit on OCI	(137.14)	(116.78)
<b>Total</b>	<b>407.75</b>	<b>347.21</b>

## 27: Earnings per Equity Share

Particulars	(₹ in Lakhs)	
	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
(a) Profit/ (loss) attributable to equity shareholders (₹ in Lakhs)	(9766.70)	31,340.65
(b) Weighted average number of Equity Shares outstanding during the year	607751096	607751096
(c) Basic and Diluted EPS (₹)	(1.61)	5.16
(d) Face value per share (₹)	10.00	10.00

# Notes to the Financial Statements

## 28.1.1 Ratios

S. No.	Ratios	Numerator	Denominator	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	% Variance	Reason for variance
a)	Current Ratio (in times)	Total current assets	Total current liabilities	2.65	6.57	-59.67%	Increase in current liability due to current borrowings.
b)	Debt - Equity Ratio (in times)	Borrowings	Total Equity	0.206	0.004	4797.41%	During the current year, the Company availed Overdraft and additional Term Loan.
c)	Debt Service Coverage Ratio (in times)	Earning available for debt service	Debt service	-5	28	-116.90%	Operating Loss during the year.
d)	Return on Equity Ratio (in %)	Net Profit after tax	Average Shareholders' Equity	-4.71%	15.18%	-131.04%	Operating Loss during the year.
e)	Inventory Turnover Ratio (in times)	Sales	Average Inventory	4.47	9.16	-51.18%	Sales reduced due to imposition of export duty on pellets
f)	Trade receivables turnover ratio (in times)	Net Credit Sales	Average Accounts receivable	4.41	11.05	-60.13%	Sales reduced due to imposition of export duty on pellets and trade receivable increased due to higher credit sales in March, 2023.
g)	Trade payables turnover ratio (in times)	Net Credit Purchase	Average Trade Payable	3.84	4.91	-21.83%	Credit purchase reduced and average trade payable increased.
h)	Net Capital Turnover Ratio (in times)	Net Sales	Average Working Capital	1.06	1.69	-36.97%	Sales reduced due to imposition of export duty on pellets.
i)	Net Profit Ratio (in %)	Net Profit after tax	Net Sales	-6.33%	10.42%	-160.70%	Incurred operating loss due to imposition of export duty on pellets.
j)	Return on Capital Employed (in %)	Earning before Interest and Taxes	Capital Employed	-5.81%	21.51%	-127.02%	Incurred operating loss due to imposition of export duty on pellets.
k)	Return on Investment- Liquid Mutual Fund (in %)	Time adjusted return	Investment	5.60%	3.28%	70.73%	Increase in rate of interest.



# Notes to the Financial Statements

## 28.1.2 Contingent liabilities and capital commitments

### A. Contingent liabilities

#### 1.1 Claims against the company not acknowledged as Debt

		(₹ in Lakhs)	
S. No	Particulars	As on 31 <sup>st</sup> March, 2023	As on 31 <sup>st</sup> March, 2022
<b>A</b>	<b>Disputed claims under Excise Duty, Service Tax and Income Tax</b>		
<b>(i)</b>	<b>Excise Duty</b> (Demand for Special additional duty on DTA sales of Pellet for the FY 2010-11 & 2011-12, order passed by Hon'ble CESTAT on 17 <sup>th</sup> Feb, 2022 upholding the benefit of Notification No 23/2003-CE dated 31.03.2003 with condition to produce proof of payment of VAT. The Company has filed a rectification of mistake (ROM) application and the same has been heard on 19 <sup>th</sup> May, 2023 without rectification except the correction of clerical error. On receipt of the certified order copy the Company will prefer the further appeal to Hon'ble High Court of Karnataka.)	5,848.31	5,848.31
<b>(ii)</b>	<b>Service Tax</b> Service Tax demand on dispatch money for the FY 2012-13 & 2013-14, the department has filed appeal before CESTAT against the order of the Commissioner (Appeal).	60.77	60.77
<b>(iii)</b>	<b>Income Tax</b> The Company has filed appeal against Income Tax assessment order for Assessment Year 2018-19 in CIT (A). Note- Disputed Liability for the AY 2013-14 and 2014-15 for ₹ 633.28 Lakhs has been withdrawn during the year as final favorable order has been passed by CIT(A). As per the order, the CIT(A) has directed the Assessing Officer for verification and to pass revised order.	4,973.66	5,606.94
<b>B</b>	<b>Claims by parties under Dispute/Arbitration/ Court Proceedings</b>		
<b>(i)</b>	Demand raised by Forest Department, Govt of Karnataka for raising height of Lakya dam, Kudremukh, arrear lease rent, permit & supervision charges and afforestation charges & penalty. (An amount of ₹ 1675.01 lakhs reduced from the current year and previous year as equal amount of provision exists in the books)	16,377.36	16,377.36
<b>(ii)</b>	Distance based charges claimed by East Coast Railways and penalty thereon (refer Note no. 28.3.1)	34,704.58	34,704.58
<b>(iii)</b>	Forest Development Tax (NMDC)*	11,057.62	11,057.62
<b>(iv)</b>	M/s Haryana Khanak project- (HSIDC) (Bank Guarantee submitted towards security deposit, invoked by M/s HSIDC, the Company filed appeal before the Hon'ble Civil Court, Panchkula, Haryana and favorable order has been passed. M/s HSIDC filed appeal against order of Civil Court Panchkula, Haryana)	1,500.00	1,500.00
<b>(v)</b>	Others (Includes claims by employees, stock exchanges, contractors etc) Note: Additional disputed claims raised during the years has been included.	1,340.34	414.06
	<b>Total</b>	<b>75,862.64</b>	<b>75,569.64</b>

\* Includes ₹ 11,057.62 Lakhs (Previous year ₹ 11,057.62 Lakhs) towards Forest Development Tax (FDT) at the rate of 12% of basic price of iron ore. The supplier

# Notes to the Financial Statements

NMDC Limited has filed a writ petition before the Hon'ble High Court of Karnataka challenging the levy of the same. The case was disposed of vide order dated 3<sup>rd</sup> December, 2015 directing the Govt. of Karnataka to refund the FDT within three months. However, the Govt. of Karnataka has filed Special Leave Petition before the Hon'ble Supreme Court of India. The matter was listed on 9<sup>th</sup> August, 2019 and the Hon'ble Supreme court directed to list the appeal for hearing.

Further, out of ₹ 11,057.62 Lakhs, an amount of ₹ 2,617.43 Lakhs (Previous year ₹ 2,617.43 Lakhs) (equivalent to 25% of FDT) collected earlier by NMDC as per the interim order of Hon'ble Court is shown under "Other Non-Current Assets" in Books of Accounts and the Bank Guarantee equivalent to ₹ 2,734.87 Lakhs (Previous year ₹ 2,734.87 Lakhs) furnished to NMDC in this regard has not been included under the contingent liabilities against Bills discounted/Letter of Credits/ Bank guarantees.

## 1.2 Contingent liabilities against Bills discounted/Letter of Credits/ Bank guarantees

Particulars	(₹ in Lakhs)	
	As on 31 <sup>st</sup> March, 2023	As on 31 <sup>st</sup> March, 2022
Contingent liabilities against Bills discounted/Letter of Credits/ Bank guarantees	2,813.70	1,713.91

## B. Capital commitments.

Particulars	(₹ in Lakhs)	
	As on 31 <sup>st</sup> March, 2023	As on 31 <sup>st</sup> March, 2022
Estimated amount of the contracts to be executed on capital account and not provided for (net of advances)	20,710.18	23,534.31

## 28.2.1 Employee Benefits as per Ind AS 19

### a) PF interest Guarantee:

The Company's contribution to the Provident Fund is remitted to a separate Trust based on a fixed percentage of the eligible employee's salary and charged to Statement of Profit and Loss. Further, the Company makes good the shortfall, if any, in the return from investments of the Trust vis-à-vis the notified rate of interest, based on actuarial valuation. During the year ₹ 439.01 Lakhs provided towards PF interest guarantee (Previous year ₹ 394.76 Lakhs) based on actuarial valuation report.

### Disclosures as required by Ind AS 19

DEFINED BENEFIT PLANS - PF INTEREST GUARANTEE	(₹ in Lakhs)	
	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
<b>I. Principal Actuarial Assumption (Expressed as weighted averages)</b>		
Discount Rate	7.38%	6.92%
PF Interest Guarantee	8.15%	8.10%
Salary escalation rate	11.00%	11.00%
Attrition rate	5.00%	5.00%
Expected rate of return on Plan Assets	7.38%	6.92%
Mortality rate during employment	Standard Indian Assured Lives (2006-08)	
<b>II. CHANGES IN THE DEFINED BENEFIT OBLIGATION (DBO)</b>		
DBO as at the beginning of the period	50,329.95	49,222.37
Interest Cost	3,498.82	3,209.74
Current service cost	1,034.50	1,012.69
Past service cost	211.17	1.78

# Notes to the Financial Statements

(₹ in Lakhs)

DEFINED BENEFIT PLANS - PF INTEREST GUARANTEE	PF INTEREST GUARANTEE	
	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Plan participants contribution	1,796.79	1,833.48
Benefits paid	(5,840.81)	(5,677.79)
Actuarial loss/(gain) on obligation	38.23	332.92
Value of interest rate guarantee	439.01	394.76
DBO as at the end of the period	51,507.66	50,329.95
<b>III. CHANGES IN THE FAIR VALUE OF PLAN ASSETS</b>		
Fair value of plan assets as at the beginning of the period	49,868.73	48,693.34
Expected return on plan assets	3,569.26	3,271.60
Employer contributions	1,034.50	1,012.69
Plan participants contribution	1,796.79	1,833.48
Transfer in	211.17	1.78
Benefits paid	(5,840.81)	(5,677.79)
Actuarial gain/(loss) on plan assets	103.66	733.62
Fair value of plan assets as at the end of the period	50,743.30	49,868.73
<b>IV. ACTUAL RETURN ON PLAN ASSETS</b>		
Expected return on plan assets	3,569.26	3,271.60
Actuarial gain (loss) on plan assets	103.66	733.62
Actual return on plan assets	3,672.92	4,005.22
<b>V. AMOUNTS RECOGNISED IN THE BALANCE SHEET</b>		
Present value of the obligation	51,507.66	50,329.95
Fair value of plan assets	50,743.31	49,868.73
Net Defined Benefit Liability recognized in the balance sheet	764.35	713.54
Non-Current	439.01	458.88
Current	325.34	254.66
<b>VI. AMOUNT RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS:</b>		
Interest guarantee Obligations	439.01	394.76
Amount recognized in the statement of profit and loss	439.01	394.76
<b>VII. AMOUNT RECOGNIZED IN THE OTHER COMPREHENSIVE INCOME [OCI]</b>		
Actuarial (Gain)/Loss due to financial assumptions change in DBO	(71.38)	-
Actuarial (Gain)/Loss due to experience in DBO	109.61	332.92
Return on plan assets (Greater)/ less than discount rate	(103.66)	(733.62)
Total actuarial (Gain)/ Loss recognized in OCI	(65.43)	(400.70)
<b>VII. MAJOR CATEGORIES OF PLAN ASSETS (AS PERCENTAGE OF TOTAL PLAN ASSETS)</b>		
Government Securities	65.07%	67.88
High Quality Bonds	26.34%	23.81
Mutual Funds Regulated by SEBI	1.58%	2.51
Current assets	6.41%	5.00
Balance in Banks	0.60%	0.80
<b>Total</b>	<b>100%</b>	<b>100%</b>

# Notes to the Financial Statements

## Notes:

- (i) The Company is exempted under Section 17 of the EPF & MP Act, 1952 and the PF corpus is managed by a Trust. The plan assets of the Trust are managed by Board of Trustees.
- (ii) Discount rate is based on the prevailing market yield of Indian Government securities as at the balance sheet date for the estimated term of the obligation.
- (iii) The salary escalation rate is arrived taking into consideration the seniority in the promotion and other relevant factors, such as demand supply in employment market.

## Sensitivity Analysis Method

Sensitivity Analysis Method is determined based on the expected movement in liability if the assumptions were not proved to be true on different count.

Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
A. PF Interest Guarantee Rate + 25 BP	8.40%	8.35%
Defined Benefit Obligation [DBO] (₹ in Lakhs)	51,666.72	54,448.71
B. PF Interest Guarantee - 25 BP	7.90%	7.85%
Defined Benefit Obligation [DBO] (₹ in Lakhs)	51,348.59	50,211.19

## b) Gratuity:

Liability with regard to gratuity benefits payable in future is determined by actuarial valuation at the end of the year using the projected unit method. Net provision towards Gratuity fund for the year is ₹ 329.72 Lakhs (Previous year ₹ 366.82 Lakhs (net)). The Company operates a gratuity plan administered by LIC under Group Gratuity Life Assurance Scheme of LIC of India. Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year or part thereof in excess of 6 months of service subject to a maximum of ₹ 20 Lakhs as per the Payment of Gratuity Act, 1972, as adopted by the Company through resolution in 257<sup>th</sup> meeting of the Board held on 26<sup>th</sup> March 2019. The same is payable at the time of separation from the company or retirement, whichever is earlier. Net Assets recognized in Balance Sheet is ₹ 81.02 Lakhs under Note no 7 (Previous year Net Liability of ₹ 67.81 Lakhs).

## Disclosures as required by Ind AS 19

DEFINED BENEFIT PLANS - GRATUITY	GRATUITY	
	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
<b>I. Principal Actuarial Assumption (Expressed as weighted averages)</b>		
Discount Rate	7.38%	6.92%
Salary escalation rate	11.00%	11.00%
Attrition rate	5.00%	5.00%
Expected rate of return on Plan Assets	7.38%	6.92%
Mortality rate during employment	Standard Indian Assured Lives (2006-08)	
<b>II. CHANGES IN THE PRESENT VALUE OF THE OBLIGATION (PVO)</b>		
PVO as at the beginning of the period	9,271.66	9,667.60
Interest Cost	605.68	612.96
Current service cost	345.09	351.51
Past service cost	-	-
Benefits paid	(1,038.01)	(983.07)

# Notes to the Financial Statements

(₹ In Lakhs)

DEFINED BENEFIT PLANS - GRATUITY	GRATUITY	
	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
Actuarial loss/(gain) on obligation	(391.17)	(377.34)
PVO as at the end of the period	8,793.25	9,271.66
<b>III. CHANGES IN THE FAIR VALUE OF PLAN ASSETS</b>		
Fair value of plan assets as at the beginning of the period	9,203.85	9,481.26
Expected return on plan assets	601.63	601.11
Contributions	18.53	17.90
Benefits paid	(1,038.01)	(983.07)
Actuarial gain/(loss) on plan assets	88.27	86.65
Fair value of plan assets as at the end of the period	8,874.27	9,203.85
<b>IV. ACTUAL RETURN ON PLAN ASSETS</b>		
Expected return on plan assets	601.63	601.11
Actuarial gain (loss) on plan assets	88.27	86.65
Actual return on plan assets	689.91	687.76
<b>V. AMOUNTS RECOGNISED IN THE BALANCE SHEET</b>		
Present value of the obligation	8,793.25	9,271.66
Fair value of plan assets	8,874.27	9,203.85
Net Defined Benefit Liability/(Assets) recognized in the balance sheet	(81.02)	67.81
Non-Current	(81.02)	62.79
Current	-	5.02
<b>VI. AMOUNT RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS:</b>		
Current service cost	345.09	351.51
Past service cost	-	-
Net Interest on Net Defined Benefit Obligations	4.05	11.85
Amount recognized in the statement of profit and loss	349.14	363.36
<b>VII. AMOUNT RECOGNIZED IN THE OTHER COMPREHENSIVE INCOME [OCI]</b>		
Actuarial (gain)/loss on Plan Obligations	(391.17)	(377.34)
Actuarial gain/(loss) on plan assets	(88.28)	(86.65)
Amount recognized in OCI	(479.45)	(463.99)
<b>VIII. MAJOR CATEGORIES OF PLAN ASSETS (AS PERCENTAGE OF TOTAL PLAN ASSETS)</b>		
Funds managed by Insurer	100%	100%

## Notes:

- The plan assets of the Company are managed by Life Insurance Corporation of India through a trust managed by the company in terms of an insurance policy taken to fund obligations of the Company with respect to its gratuity plan. The categories of plan assets as a percentage of total plan assets is based on information provided by Life Insurance Corporation of India. Information on categories of plan assets as at 31 March, 2023 and 31 March, 2022 has not been provided by Life Insurance Corporation of India.
- The plan assets have been primarily invested in insurer managed funds. The Company contributes all ascertained liabilities towards gratuity to the Fund. The Gratuity plan provides a lump sum payment to the vested employees at retirement, death, incapacitation or termination of employment based on the respective employees salary and tenure of the employment with the company.

# Notes to the Financial Statements

- iii. Expected Contribution in respect of Gratuity for next year will be ₹ 20 Lakhs (For the year ended March 31, 2022 ₹ 18.53 Lakhs).
- iv. Discount rate is based on the prevailing market yield of Indian Government securities as at the balance sheet date for the estimated term of the obligation.
- v. The salary escalation rate is arrived taking into consideration the seniority in the promotion and other relevant factors, such as demand supply in employment market.

## Sensitivity Analysis Method

Sensitivity Analysis Method is determined based on the expected movement in liability if the assumptions were not proved to be true on different count.

Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
A. Discount Rate + 100 BP	8.38%	7.92%
Defined Benefit Obligation [PVO] (₹ in Lakhs)	8,464.50	8,903.87
B. Discount Rate - 100 BP	6.38%	5.92%
Defined Benefit Obligation [PVO] (₹ in Lakhs)	9,149.12	9,671.01
C. Salary Escalation Rate + 100 BP	12.00%	12.00%
Defined Benefit Obligation [PVO] (₹ in Lakhs)	8,827.00	9,314.89
D. Salary Escalation Rate - 100 BP	10.00%	10.00%
Defined Benefit Obligation [PVO] (₹ in Lakhs)	8,752.90	9,219.13

The weighted average duration of the Defined Benefit Obligation is 8.54 years (2021-22 8.49 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	< 1Year	Between 1-2 years	Between 2-5 years	> 5 years	Total
<b>31<sup>st</sup> March 2023:</b>					
Defined Benefit Obligation (Gratuity)	1,612.39	1,599.92	3,318.15	5,870.94	12,401.40
<b>Total</b>	<b>1,612.39</b>	<b>1,599.92</b>	<b>3,318.15</b>	<b>5,870.94</b>	<b>12,401.40</b>
<b>31<sup>st</sup> March 2022:</b>					
Defined Benefit Obligation (Gratuity)	1,561.16	1,540.19	3,532.94	6,404.17	13,038.46
<b>Total</b>	<b>1,561.16</b>	<b>1,540.19</b>	<b>3,532.94</b>	<b>6,404.17</b>	<b>13,038.46</b>

**Risk Exposure:** Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below :

- (i) **Inflation Risks :** In the post-retirement plans ie, gratuity, the payment is not linked to inflation, so this is a less material risk.
- (ii) **Life Expectancy :** The post-retirement plan obligations is to provide benefits for the life of the member, so regularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.



# Notes to the Financial Statements

## C) Contribution to Defined Contribution Plan (net), recognized as expense for the year is as under:

Particulars	(₹ in Lakhs)	
	For the year ended 31 <sup>st</sup> March, 2023	For the year ended 31 <sup>st</sup> March, 2022
Post retirement Pension scheme	666.65	670.72
Employee pension scheme 1995 (EPFO)	85.36	91.78
Post retirement medical scheme	239.93	292.17

## d) (i) Contribution to other long-term benefits plan (net) (long term compensated absence)

Particulars	(₹ in Lakhs)	
	For the year ended 31 <sup>st</sup> March, 2023	For the year ended 31 <sup>st</sup> March, 2022
Earned leave (EL)	746.18	832.95
Sick leave (HPL)	211.17	413.52

## (ii) Present Value of Future Obligations (as at the Balance Sheet date) as per actuarial for long term compensated absence

### For the year ended 31<sup>st</sup> March 2023

	(₹ in Lakhs)	
	Current	Non- Current
Earned Leave (EL)	614.08	3,108.88
Sick Leave (HPL)	113.07	2,827.66

### For the year ended 31<sup>st</sup> March 2022

	(₹ in Lakhs)	
	Current	Non- Current
Earned Leave (EL)	659.39	3,227.34
Sick Leave (HPL)	242.63	2,752.22

# Notes to the Financial Statements

## 28.2.2 Segment Reporting as per Ind AS 108

The Company is having two main operating segments i.e., 'Pellet' and 'Pig Iron'. Expenses relating to Kudremukh unit and the Corporate Office have been fully allocated to Pellet segment. Segment Reporting as per Ind AS-108 is as follows:

### Segment Reporting for the year ended 31<sup>st</sup> March 2023

Particulars	Pellets		Pig Iron		All Other		Total	
	Figures as at the end of		Figures as at the end of		Figures as at the end of		Figures as at the end of	
	Current Reporting Period 31-03-2023	Previous Reporting Period 31-03-2022	Current Reporting Period 31-03-2023	Previous Reporting Period 31-03-2022	Current Reporting Period 31-03-2023	Previous Reporting Period 31-03-2022	Current Reporting Period 31-03-2023	Previous Reporting Period 31-03-2022
<b>REVENUE:</b>								
External Sales	1,51,802.18	2,98,015.21	470.91	114.60	-	-	1,52,273.09	2,98,129.81
Sale of services Service	-	-	-	-	2,047.26	2490.79	2,047.26	2,490.79
Other operating revenue	-	-	-	-	21.25	24.54	21.25	24.54
<b>Total revenue</b>	<b>1,51,802.18</b>	<b>2,98,015.21</b>	<b>470.91</b>	<b>114.60</b>	<b>2068.51</b>	<b>2,515.33</b>	<b>1,54,341.60</b>	<b>3,00,645.14</b>
<b>RESULT:</b>								
Segment result before interest	(11209.59)	43,099.89	(2169.35)	(2,510.11)	(4,153.20)	(4,832.12)	(17,532.14)	35,757.66
Less : Finance cost	(902.23)	(887.76)	(0.65)	(0.77)	(461.04)	(332.13)	(1,363.92)	(1,220.66)
Segment result before exception	(12111.82)	42,212.13	(2170.00)	(2,510.88)	(4,614.24)	(5,164.25)	(18,896.06)	34,537.00
Unallocated Income less expenses								
a) Interest income on financial assets measured at amortized cost							6,156.73	6,227.10
b) Net gain on financial assets designated at fair value through profit or loss							463.80	339.08
<b>Profit before tax</b>							<b>(12,275.53)</b>	<b>41,103.18</b>
Less: Income tax								
Current tax							(13.34)	(9,959.43)
Deferred tax							2,522.17	196.90
<b>Net profit after tax</b>							<b>(9,766.70)</b>	<b>31,340.65</b>
Other comprehensive income							407.75	347.21
<b>Total comprehensive income</b>							<b>(9,358.95)</b>	<b>31,687.86</b>

(₹ in Lakhs)

# Notes to the Financial Statements



(₹ in Lakhs)

Particulars	Pellets		Pig Iron		All Other		Total	
	Figures as at the end of		Figures as at the end of		Figures as at the end of		Figures as at the end of	
	Current Reporting Period 31-03-2023	Previous Reporting Period 31-03-2022	Current Reporting Period 31-03-2023	Previous Reporting Period 31-03-2022	Current Reporting Period 31-03-2023	Previous Reporting Period 31-03-2022	Current Reporting Period 31-03-2023	Previous Reporting Period 31-03-2022
<b>Other information :</b>								
<b>Segment assets</b>	80,541.58	73,112.63	12,445.23	9,909.54	2,00,817.72	1,83,055.02	2,93,804.53	2,66,077.19
<b>Segment liabilities</b>	33,401.17	31,639.00	3,076.84	3,045.00	57,122.85	17,029.34	93,600.86	51,713.34
Capital expenditure	1,194.14	3,492.02	144.18	91.20	402.59	95.73	1,740.91	3,678.95
Depreciation and amortisation	1,693.46	2,343.63	702.39	687.92	129.40	86.68	2,525.25	3,118.23
Non-cash expenses other than depreciation	824.73	1,142.73	46.04	137.80	162.49	311.37	1,033.26	1,591.90

1. The Company is domiciled in India. Segment revenue by location of customer is shown in the table below:-

Particulars	2022-23	2021-22
External Sales		
Domestic	18,198.38	7,748.03
Overseas	136,143.22	292,897.11
<b>Total</b>	<b>154,341.60</b>	<b>300,645.14</b>

2. Revenue of approximately ₹ 1,31,516.09 Lakhs (Previous Year ₹ 2,37,209.34 Lakhs) are derived from few external customers attributed to pellet plant segment who are individually contributing more than 10% of the Total Revenue.

3. There are no transaction between reportable segments.

4. The total of non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets are located in India.

# Notes to the Financial Statements

## 28.2.3 Disclosure – Revenue (Ind AS 115)

### (a) Disaggregate Revenue

Segment	(₹ in Lakhs)	
	Year ended 31 <sup>st</sup> March 2023	Year ended 31 <sup>st</sup> March 2022
<b>Types of goods or services</b>		
<b>Sale of Goods</b>		
- Iron Ore oxide Pellet	1,51,802.18	2,98,015.21
- Auxiliary	470.91	114.60
<b>Sale of Services</b>		
- Sale of Service	2,047.26	2,490.79
- Other Operating Revenue	21.25	24.54
<b>Total Revenue from Contracts with Customers</b>	<b>1,54,341.60</b>	<b>3,00,645.14</b>
<b>Domestic/ International Revenue</b>		
India	18,198.38	7,748.03
Outside India	1,36,143.22	2,92,897.11
<b>Total Revenue from Contracts with Customers</b>	<b>1,54,341.60</b>	<b>3,00,645.14</b>
<b>Timing of Revenue Recognition</b>		
Goods delivered (at a point in time)	1,52,273.09	2,98,129.81
Services rendered (over time)	2,068.51	2,515.33
<b>Total Revenue from Contracts with Customers</b>	<b>1,54,341.60</b>	<b>3,00,645.14</b>

### (b) Contract balances

	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Trade Receivables	35,422.40	29,186.18
Contract Assets	-	67.55
Contract Liabilities	2,364.78	2,289.52

## 28.2.4 Related Party Disclosure (Ind AS 24)

### Key Management Personnel as on 31<sup>st</sup> March, 2023:

1	Shri T. Saminathan	:	Chairman-cum-Managing Director & Director (Production and Projects) (Addl. Charge)
2	Shri Binay Krushna Mahapatra	:	Director (Commercial) Director & (Finance) (Addl. Charge)
3	Shri P K Mishra	:	Company Secretary

# Notes to the Financial Statements

As per the requirement of Ind AS 24 total compensations paid to Key managerial personnel for the year 2022-23 are as follows:

(₹ in Lakhs)

S. No	Particulars	Shri T Saminathan	Shri Swapan Kumar Gorai	Shri KV Bhaskar Reddy	Shri Binay Krushna Mahapatra	Shri P K Mishra
1	Short term employee benefits	71.16	66.87	65.70	28.91	25.33
2	Post-employment benefits	-	16.11	20.00	-	-
3	Other long-term benefits	-	23.77	19.91	-	-
<b>Total*</b>		<b>71.16</b>	<b>106.75</b>	<b>105.61</b>	<b>28.91</b>	<b>25.33</b>

The total compensation paid to Key managerial personnel for the previous year 2021-22 are as follows:

(₹ in Lakhs)

S. No	Particulars	Shri M V Subba Rao	Shri T Saminathan	Shri Swapan Kumar Gorai	Shri KV Bhaskar Reddy	Shri P K Mishra
1	Short term employee benefits	19.17	54.17	55.23	43.89	20.57
2	Post-employment benefits	20.00	-	-	-	-
3	Other long-term benefits	18.24	-	-	-	-
<b>Total*</b>		<b>57.41</b>	<b>54.17</b>	<b>55.23</b>	<b>43.89</b>	<b>20.57</b>

\* Does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for all the employees together.

Independent and Nominee Directors as on 31<sup>st</sup> March, 2023:

1	Smt. Sukriti Likhi	:	Nominee Director (Addl. Secretary & Financial Advisor, Ministry of Steel)
2	Shri Devidatta Satapathy	:	Nominee Director (Director, Ministry of Steel)
3	Dr. Usha Narayan	:	Independent Director
4	Shri Changdev Sukhadev Kamble	:	Independent Director

Detail of sitting fees paid to Independent Directors:(₹ in Lakhs)

Name of Independent Director	For the year 2022-23	For the year 2021-22
Shri G. Ramasamy	2.98	3.00
Shri Jagdish P. Joshi	-	2.08
Shri Nirmalendu Mohapatra	2.42	3.18
Shri Ranjit Sreenivas	-	1.72
Shri Changdev Sukhadev Kamble	4.46	1.30
Dr. Usha Narayan	3.56	1.12
<b>Total#</b>	<b>13.42</b>	<b>12.40</b>

# The amount paid towards sitting fees is included in the "Other Expenses" under Note No 24.

# Notes to the Financial Statements

The name of employment/ post-employment benefit trust with details of contributions made and balance at the year-end:

(₹ in Lakhs)

Name of related party	Contribution	For the year 2022-23	For the year 2021-22
KIOC EPF Trust	PF contributions	2,825.71	2,847.09
KIOC Gratuity Trust	Gratuity contribution*	-	-
Defined contribution Pension Trust	Pension contribution	669.29	771.22
Post retirement medical trust	Medical contribution	638.80	-

\* Gratuity contribution of ₹ 18.53 Lakhs directly made to LIC of India (Previous Year ₹ 17.90 Lakhs).

Balance outstanding as on 31<sup>st</sup> March 2023 for KIOC EPF trust was ₹ 7.03 Lakhs (Previous year ₹ 237.85 Lakhs) for other trusts there was no balance outstanding in current year and previous year.

The name of the government related entities and the nature of its relationship.

Sl. No.	Name	Relation
1.	NMDC Limited	Entity under the control of same Government
2.	IOCL Ltd	Entity under the control of same Government
3.	Shipping Corporation of India Limited	Entity under the control of same Government
4.	MRPL	Entity under the control of same Government
5.	MSTC Ltd	Entity under the control of same Government
6.	MECON Ltd	Entity under the control of same Government
7.	New Mangalore Port Trust	Government related entity
8.	Indian Railways (ECR & SWR)	Government Department

The nature and amount of each individually significant transactions with above government related entities:

(₹ in Lakhs)

Name of related party	Nature of transaction	Year ended 31 <sup>st</sup> March 2023	Year ended 31 <sup>st</sup> March 2022
NMDC Limited	Purchase of Raw Material (IOF)	70,890.57	150,354.48
IOCL Ltd	(a) Purchase of Furnace Oil	14,693.83	16,484.85
	(b) Sub lease rent-Furnace oil tank & O& M Service	122.85	-
Shipping Corporation of India Limited	Transportation of Raw Material through Sea	4,532.13	8,228.88
New Mangalore Port Trust	(a) Port Services	1,951.81	2,057.01
	(b) Land taken on Lease	1,441.58	1,909.67
MSTC Ltd	Service Charges	60.21	41.34
MECON Ltd	Consultancy Services - Projects	154.40	167.83
Indian Railways (ECR & SWR)	Transportation of Raw Material through Rail	18,586.33	28,166.63



# Notes to the Financial Statements

## 28.2.5 Leases (Ind AS 116)

### As Lessee

The Company's significant leasing arrangements are in respect of operating leases for land and buildings. These arrangements generally range between 3 years and 30 years, except for certain land leases where the lease term ranges up to 99 years. In case of land taken on lease from New Mangalore port trust, termination option is exercisable only by the lessor. Hence, the management has considered the full term of the contract as the lease term, since the Company is liable to pay the lease rental as they do not have the right to terminate the contract.

The Company holds nine tracts of Land totaling 386,691 Sq. Mtrs. on long term lease from New Mangalore Port Trust (MNPT). Lease of the following four tracts of land, pending for registration of lease deeds, are considered as "Lease continuing" in view of company's request for extension of lease with NMPT and the same being under their consideration and continuing in paying annual lease rent and the same is duly acknowledged and accepted by NMPT:

- 213,783 Sq Mtrs of land taken for Port facilities
- 9,120 Sq Mtrs of land taken for storage of iron ore fines
- 27,008 Sq Mtrs of land taken for pellet storage yard and
- 21,270 Sq Mtrs of land taken for Captive Power Plant

The Company has submitted Security Deposit of ₹ 2,104.00 Lakhs during Jan, 2023 and May, 2023 in the form of Bank Guarantee of for SI no (a), (c) and (d) for execution of the Lease Deed.

There are no sale and lease back transactions.

The impact of lease accounting on the financials for the year is as follows: -

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Expenses on account of Depreciation	542.43	549.18
Interest on Lease Liabilities	904.73	892.45
Accrual lease rent for the year	(1,303.69)	(1,275.14)
<b>Total</b>	<b>(143.47)</b>	<b>(166.49)</b>

Ind AS 116 has resulted into an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The weighted average incremental borrowing rate applied lease liabilities towards land and building is 8.20% and @8.45% respectively.

The break-up of current and non-current lease liabilities is as follows:

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2023	As at March 31, 2022
Current lease liabilities	1,876.21	1,229.29
Non- current lease liabilities	10,691.40	10,447.91
<b>Total</b>	<b>12,567.61</b>	<b>11,677.20</b>

# Notes to the Financial Statements

The movement in lease liabilities (LL) is as follows:

Particulars	(₹ in Lakhs)	
	Year ended March 31, 2023	Year ended March 31, 2022
Balance as at the beginning of the year	11,677.20	12,034.94
Additions	1,285.69	44.44
Finance cost accrued during the period	904.73	892.45
Deletions	-	(12.02)
Payment of lease liabilities	(1,300.01)	(1,282.61)
Balance as at the end of the year	12,567.61	11,677.20

The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows:

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Less than One Years	1,876.21	1,229.29
One to five years	5,508.79	4,812.10
More than five years	21,457.49	19,770.08
<b>Total</b>	<b>28,842.49</b>	<b>25,778.20</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they become due.

Rental expenses recorded for short- term leases were ₹ 110.88 Lakhs for the year ended 31<sup>st</sup> March, 2023 (Previous year ₹ 147.94 Lakhs).

## As lessor

Rental income on assets given on operating leases was ₹ 182.36 Lakhs for the year ended 31<sup>st</sup> March, 2023 (Previous year ₹ 164.64 Lakhs).

The Company has leased out its land under operating lease for periods ranging up to 7 years. Lease payments are structured with periodic escalations consistent with the prevailing market conditions. There are no variable lease payments to be received.

## Maturity analysis of operating lease payments to be received:

Period	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Year 1	174.28	155.91
Year 2	197.54	153.61
Year 3	123.63	142.53
Year 4	46.50	121.11
Year 5	6.68	44.39
Year 6 onwards	2.61	8.84
<b>Total</b>	<b>551.24</b>	<b>626.39</b>

# Notes to the Financial Statements

## 28.3 Others:

**28.3.1** With the suspension of mining operations at Kudremukh mine site, the Company is procuring the iron ore fines from NMDC mines in Chhattisgarh state and transporting to its plant at Mangalore by rail cum sea route and from open market.

Railways vide letter No. H/C.474 Classification/11 dated 21<sup>st</sup> October, 2011 raised an issue regarding the applicability of distance-based charge (DBC) over and above normal freight on Iron ore transported through railway network for manufacture of pellets and their subsequent export. Both South Western Railway (SWR) and East Coast Railway (ECR) have raised demand of ₹ 14,463.93 Lakhs and ₹ 10,361.38 Lakhs respectively towards distance-based charge (DBC) over and above normal freight on Iron ore transported.

As per the Company's view, DBC should attract only for iron ore fines and lumps which are directly exported and not on the Iron Ore so moved and utilized in the steel plants for manufacture of finished product and exported thereafter. The same is also not applicable to Pig iron and Sponge Iron Industry.

Accordingly, against the demand of ₹ 14,463.93 Lakhs of SWR, KIOCL had filed writ petition before the Hon'ble High Court of Karnataka. The writ petition was dismissed and KIOCL filed writ appeal challenging the dismissal of the writ petition. The Hon'ble High Court has granted interim order staying DBC, subject to the condition that 50% of the demand excluding penalty is to be deposited. Thus, ₹ 8,325.16 Lakhs was paid and for the balance amount of ₹ 6,138.77 Lakhs provision has been made in the books in the FY 2013-14.

Similarly, against the demand of ₹ 10,361.38 Lakhs for DBC and ₹ 31,084.14 Lakhs towards penalty, of ECR which after considering the freight already paid, DBC worked out to be ₹ 6,740.94 Lakhs. KIOCL has filed WRIT petition before High Court of Orissa and High Court granted stay subject to deposit of 50% amount excluding the penalty. Against the worked-out liability, the Company paid ₹ 5,188.86 Lakhs and the balance amount of ₹ 1,552.08 Lakhs provision has been made in the books FY 2013-14. The balance demand toward DBC and penalty of ₹ 3,4704.58 Lakhs has been included in contingent liabilities.

Both the cases are not listed so far. Railway has filed transfer petition before Hon'ble Supreme Court and both the cases are stayed by Supreme Court. The transfer petition is still pending before the Hon'ble Supreme Court.

**28.3.2** During the FY 2008-09, the Company has claimed refund of congestion surcharge amounting to ₹ 6,877.86 Lakh from South Western Railway (SWR) in respect of 573 rakes moved during 1<sup>st</sup> April, 2007 to 21<sup>st</sup> May, 2008 through the Company's private Railway Siding at Panambur, Mangalore which was commissioned in January 2006. SWR refunded only ₹ 2,725.39 Lakh till FY 2013-14 which includes ₹ 206.70 Lakh adjusted by SWR towards DBC. During the FY 2014-15, the Company had approached Railway Claims Tribunal (RCT), Bangalore for refund of the balance amount of ₹ 4,152.70 Lakh with interest. The Tribunal allowed the claim by its order dated 7<sup>th</sup> December, 2018 and directed SWR to compute and pay the amount together with interest at 6% per annum and in case SWR fails to comply with the order, interest at 9% per annum is payable from 1<sup>st</sup> April, 2019. SWR has filed petition against the order of Tribunal in Hon'ble High Court of Karnataka on 11<sup>th</sup> April, 2019 vide case no MFA/3165/2019. KIOCL filed cross objection in the appeal and the case is still pending. The Company has not recognized the above as income in line with the Company's significant accounting policy No.1.5, pending realization.

The Konkan Railway offered concessional freight to the Company for movement of rakes through Konkan route instead of shorter route i.e., Hassan-Mangaluru, which has been accepted by the Company and 110 rakes were booked for the Konkan route. Subsequently, Konkan Railway allowed concessional freight for 92 rakes only and balance 18 rakes were moved through shorter routes i.e., Hassan-Mangaluru. Hence, during the FY 2008-09 the Company claimed refund of ₹ 254.45 Lakhs from SWR towards differential freight. However, SWR has not refunded the amount. Hence, during the FY 2014-15 the Company approached RCT, Bengaluru and has claimed ₹ 254.45 Lakhs with interest. The Tribunal dismissed the claim and the Company filed appeal before Hon'ble High Court of Karnataka during the FY 2018-19 and the same is pending.

# Notes to the Financial Statements

East Coast Railway have collected 100% congestion surcharge instead of 30% for the rakes moved during the period from 15<sup>th</sup> April, 2008 to 21<sup>st</sup> May, 2008. During the FY 2008-09, the Company requested ECR for refunding ₹ 436.83 Lakhs being 70% excess congestion surcharge collected in respect of 26 rakes. As ECR failed to refund the amount, the Company has filed a petition before the RCT, Bhubaneswar during the FY 2014-15 for refund of ₹ 436.83 Lakhs with interest. The Tribunal dismissed the claim and the Company filed appeal before Hon'ble High Court of Odisha during the FY 2018-19 and the same is pending.

**28.3.3.** In pursuance of the directive of the Hon'ble Supreme Court, mining activities at Kudremukh were stopped with effect from 1<sup>st</sup> January 2006. Indian Bureau of Mines (IBM) has approved final mine closure plan (FMCP) of Kudremukh Iron Ore Mine and the same was communicated vide letter no. MS/CMG/Fe-38-52 dated 6<sup>th</sup> May, 2005. At the time of closure of the mine, the Company filed a petition with prayers for direction, inter-alia, to permit utilization of 54.01 hectares of land required for the purpose of safety and slope stability of the mine.

The Hon'ble Supreme Court, in its judgment (December 2006), directed IIT Delhi to issue global tender for, inter-alia, re-analyzing the stability of slopes, drawing up of mine closure plan, implementation of the above plan and drawing up of detailed terms for the work to be done, consistent with basic paradigm of "no or minimal disturbance to un-broken area".

The expenditure for this purpose was to be met out of ₹ 1,900 Lakhs paid by the company before closure of mining i.e. 31<sup>st</sup> December, 2005, which is presently lying with the adhoc Compensatory Afforestation Fund Management and Planning Authority (CAMPA).

The Hon'ble Supreme Court has also directed that if any funds are required in excess of ₹ 1,900 Lakhs, the agency or the designated officer shall move to the Court for necessary direction.

Ministry of Mines Government of India, vide letter dated 7<sup>th</sup> February, 2014, nominated the Regional Controller of Mines, IBM Bangalore as the 'Designated Officer' to take possession of Kudremukh Iron Ore Mines. Accordingly, the Company has handed over the possession of the Kudremukh Iron Ore Mines on 3<sup>rd</sup> April, 2014 to the Regional Controller of Mines, IBM Bangalore.

Subsequently, officials of IBM Bangalore and IIT, Delhi inspected the mine site on 20<sup>th</sup> May, 2014, in which IIT Delhi opined that, keeping in view of the environment and safety concerns, the residual task of mine closure is relatively minor as compared to what was originally envisaged. Hence, the amount of ₹ 1,900 Lakhs paid by the company to Central Empowered Committee (CEC) already lying with the CAMPA would be utilized for restoration of Kudremukh iron ore mine. In addition to above, the Company has also made provision to the extent of ₹ 600 Lakhs during the FY 2003-04 to 2005-06.

**28.3.4.** Total mining lease areas of 4,605.02 hectares of land at Kudremukh include an extent of 1,220.03 hectares of government revenue land, apart from forest land as well as the Company's free hold land. Regional Controller of Mines IBM, the designated officer has taken over the entire mining lease area on 3<sup>rd</sup> April, 2014 for carrying out the mine closure activities in compliance with Hon'ble Supreme Court orders dated 15<sup>th</sup> December, 2006. However, the infrastructure and buildings located on Revenue land and other lands being the property of the Company shall continue to remain in their physical possession till the cessation of mine closure activities. Till the year 2013-14, the land records of revenue land were in the name of the Company. Meanwhile Government of Karnataka has changed the revenue records removing the Company's name. Hence the Company was constrained to file a suit before Civil Judge Court, Mudigere for an injunction against Government and others, restraining them from dispossessing the Company from the said revenue land. The court heard the arguments and passed an interim order on 5<sup>th</sup> November, 2013 restraining the defendants or anybody under them from dispossessing the Company from the schedule property (i.e. Revenue land) in any manner till the disposal of the suit or till the modalities have been worked out and implemented as directed by the Hon'ble Supreme court. The suit was dismissed on 20<sup>th</sup> November, 2017.

Taking into consideration of taking over the entire mining lease area of 4,605.02 hectares comprising forest land, revenue land, Company's own land and other lands by the designated officer IBM for carrying out the mine closure activities in the mine in compliance with the Hon'ble Court's direction, although their physical possession held with the Company, the Company depreciated all its township assets in full during the year 2014-15 as a prudent measure.

# Notes to the Financial Statements

**28.3.5.** Govt. of Karnataka vide its Gazette notification dated 23.01.2017 reserved an area of 470.40 ha in Devadari Range in Bellary District for iron ore and manganese ore mining lease in favour of KIOCL under the provisions of Section 17A (2) of Mines and Minerals (Development and Regulation) Act, 1957.

KIOCL obtained statutory clearances viz Mining Plan approval by Indian Bureau of Mines, Environment Clearance by MoEF&CC, Gol, Consent for Establishment by KSPCB and Forest Clearance by MoEF&CC, Gol. Company paid ₹ 174.14 Crores on 29.10.2021 towards NPV, CA charges and ₹ 20.21 Crores on 23.09.2022 to Karnataka CAMPA fund towards differential CA charges etc as per the Stage I FC condition.

KIOCL executed mining lease deed of Devadari Iron Ore Mine with Director, Mines and Geology, Govt. of Karnataka on 02.01.2023 for 388 ha area for a period of 50 years for Iron Ore and Manganese Ore (ML No. 020 of 2023). KIOCL has registered the Mining Lease Deed of Devadari Iron Ore Mine on 18.01.2023 at the Office of Sub-Registrar, Sandur Taluk, Ballari Dist and paid ₹ 329.18 Crores towards stamp duty, cess and registration charges. Govt. of Karnataka issued Government Order on 11.04.2023 for diversion of forest land for Devadari Iron Ore Mine.

KIOCL will enter into an agreement with Dy. Conservator of Forests, Ballari will for handing over the forest land. On handing over the forest land to KIOCL by forest dept., KIOCL will undertake exploration, mine development activities development of internal roads, preparation/development of approach roads to waste dump areas, development of benches, establishment of crushing & screening units, establishment of weigh bridge, development of approach road to railway siding for evacuation of iron ore etc.

KIOCL appointed M/s MECON Limited for providing consultancy services for Devadari Iron Ore Mine. KIOCL has planned to produce the iron ore by mid of April 2024 from Devadari Iron Ore Mine.

**28.3.6.** Since the closure of mining activities, consequent upon the judgment of Hon'ble Supreme Court w.e.f. 1<sup>st</sup> January, 2006, Mangalore Pellet Plant and also Blast Furnace Unit continue to draw the required water from Lakya Dam at Kudremukh. Hence, dam maintenance activity from the safety point of view and maintenance of water drawal system which include electrical and pipeline maintenance are

still continuing. Therefore, Kudremukh installation is a working unit as on date as an integral part of Mangalore unit.

**28.3.7.** In order to utilize the Blast Furnace Unit, the company has made a project proposal for Backward and Forward Integration of the Unit involving capital expenditure of ₹ 836.90 Crore and the same has been approved by the Board in its 255<sup>th</sup> meeting held on 13<sup>th</sup> November 2018. The same has been approved by Public Investment Bureau (PIB). Environment clearance has been granted by MOEF&CC, GOI on 27<sup>th</sup> February, 2020. M/s MECON has been appointed as EPCM contractor for the project.

The installation & commissioning of Coke oven under backward integration project has been entrusted to M/s Tuaman Engineering Limited, Kolkata as a EPC contractor on lumpsum turnkey basis with technology provided by M/s CIMFR, Gol, Dhanbad. The construction works of coke oven are under progress and scheduled to be commissioned by 31.03.2024 as against the original scheduled date of commissioning by 21.05.2023.

The contracts for the balance packages under backward & forward viz., Ductile Iron Spun Pipe plant, Co-Gen Power Plant, Upgradation of Blast furnace, Pulverized Coal Injection system, Oxygen plant and Nitrogen plant could not be concluded due to high cost and change in public procurement policy. Hence, further process of re-tendering is kept on hold. The Joint Venture (JV) option is being explored for setting up of facilities for value added products in Blast Furnace Unit. Some of the prospective JV partners have responded to KIOCL's Intention of Interest (IOI) and are under discussion.

During the year the Company has incurred ₹ 16.84 Lakhs (Previous year ₹ 10.87 Lakhs) towards Excavation and loading of 3,510.47 MT (Previous year 1,215.96 MT) of auxiliary material of Pig Iron at BFU. The said materials of 4,085.47 MT worth ₹ 470.91 Lakhs were sold during the year (Previous year 544.96 MT worth ₹ 114.60 Lakhs). As at the end of the year, Company was holding a physical stock of 780 MT (Opening 1,355 MT plus excavated 3,510.47 MT less 4,085.47 MT sold) of the same (Previous year 1355 MT). As the cost of production of the same had been accounted for in earlier years, the same is valued at nil cost as at the end of the year, although the market value of the same is ₹ 89.91 Lakhs (Previous year ₹ 284.94 Lakhs) as per last sale

# Notes to the Financial Statements

price of similar product. As a prudent accounting measure, no value has been assigned to the stock in the Books of Accounts.

- 28.3.8. (a)** Expenses incurred towards generation of power being a significant cost of production have been included under the primary heads of account.
- (b)** Expenses incurred towards Stores, Spares, Consumables and Additives being a significant cost of production have been included under the primary heads of account.

## 28.3.9. Financial Risk Management

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risk, credit risk and currency risk. The Company's senior management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The key financial risks and mitigating

actions are also placed before the Risk Management Committee / Audit Committee of the Company. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits, to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Risk Management Committee of the Company is supported by the Finance team and experts of respective business divisions that provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The activities are designed to:

- Protect the Company's financial results and position from financial risks.
- Maintain market risks within acceptable parameters, while optimizing returns
- Protect the Company's financial investments, while maximizing returns.

The investment committee is responsible for maximizing the return on Company's internally generated funds.

### I. Management of Liquidity Risk

Liquidity risk is the risk that the Company faces in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it has sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. A material and sustained shortfall in our cash flow could undermine the Company's credit rating and impair investor confidence. The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date:

(₹ In Lakhs)

Particulars	Undiscounted Cash outflow		
	< 12 months	> 12 months	Total
<b>As at 31<sup>st</sup> March, 2023</b>			
Borrowings	380,82.11	3,083.00	41,165.11
Trade payables	16,485.18	-	16,485.18
Lease Liabilities	1,876.21	26,966.28	28,842.49
Other financial liabilities	8,758.75	82.21	8,840.96
<b>As at 31<sup>st</sup> March, 2022</b>			
Borrowings	-	900.00	900.00
Trade payables	13,351.28	-	13,351.28
Lease Liabilities	1,229.29	24,548.91	25,778.20
Other financial liabilities	10,649.32	59.89	10,709.21





# Notes to the Financial Statements

## II. Management of Market Risk

Market risks comprises of Price risk & Interest rate risk. The Company does not designate any fixed rate financial assets as fair value through Profit and Loss nor at fair value through OCI. Therefore, Company is not exposed to any interest rate risks. Similarly, the Company does not have any financial instrument which is exposed to change in price.

## III. Management of Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers and other receivables. The Company applies prudent credit acceptance policies, performs ongoing credit portfolio monitoring as well as manages the collection of receivables in order to minimize the credit risk exposure.

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the notes to the Financial Statements. The Company's major classes of financial assets are cash and cash equivalents, term deposits and trade receivables. For banks and financial institutions, only high rated banks / institutions are accepted.

## Trade Receivables

Concentrations of credit risk with respect to trade receivables are limited, since the Company's most of the sales (more than 95%) are secured against Letter of Credit and/or Bank Guarantee. Accordingly, based expected credit loss (ECL) experience, the Company has grouped the trade receivable into secured and unsecured.

The Company has applied the simplified approach for calculating ECL for both secured and unsecured trade receivables. During the year ECL assessed for secured and unsecured trade receivables are Nil and ₹ 80 Lakhs respectively (Previous year Nil and ₹ 75 Lakhs) and provision made in the books is included in Note no 9.1.

The carrying value of the financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk is ₹ 35,422.40 Lakhs and ₹ 29,186.18 Lakhs as at 31 March 2023 and 31 March 2022 respectively.

## IV. Foreign Currency Risk

The Company being an EOU, is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar (USD), Euro (EUR), and Japanese Yen (JPY). Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the Company's functional currency (₹). The currency risk of the said underlying asset is managed by entering into foreign currency forward contracts (only on need basis).

The Company's exposure to foreign currency risk as at the end of reporting period expressed in INR are as follows:

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2023				Total
	USD	EUR	JPY	GBP	
<b>Financial Assets</b>					
Trade Receivables	33,694.40	-	-	-	33,694.40
<b>Financial Liabilities</b>					
Long Term Borrowings	-	-	-	-	-
Trade Payables	(33.38)	-	-	-	(33.38)
Other Liabilities	-	(79.41)	-	-	(79.41)
<b>Total Exposure</b>	<b>33,661.02</b>	<b>(79.41)</b>	<b>-</b>	<b>-</b>	<b>33,581.61</b>
Less: Currency forwards	33,156.88	-	-	-	33,156.88
<b>Net exposure to foreign currency risk</b>	<b>504.14</b>	<b>(79.41)</b>	<b>-</b>	<b>-</b>	<b>424.73</b>
Increase /(decrease) to Profit before Tax for changes of 5% against INR					
Strengthened	25.21	(3.97)	-	-	21.24
Weakened	(25.21)	3.97	-	-	(21.24)

# Notes to the Financial Statements

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2022				
	USD	EUR	JPY	GBP	Total
<b>Financial Assets</b>					
Trade Receivables	28,000.27	-	-	-	28,000.27
<b>Financial Liabilities</b>					
Long Term Borrowings	-	-	-	-	-
Trade Payables	(1.14)	(579.82)	-	-	(580.96)
Other Liabilities	-	-	-	-	-
<b>Total Exposure</b>	<b>27,999.13</b>	<b>(579.82)</b>	<b>-</b>	<b>-</b>	<b>27,419.31</b>
Less: Currency forwards	27,843.88	-	-	-	27,843.88
<b>Net exposure to foreign currency risk</b>	<b>155.25</b>	<b>(579.82)</b>	<b>-</b>	<b>-</b>	<b>(424.57)</b>
Increase /(decrease) to Profit before Tax for changes of 5% against INR					
Strengthened	7.76	(28.99)	-	-	(21.23)
Weakened	(7.76)	28.99	-	-	21.23

## 28.3.10 Capital Management

The Company considers the following components of its Balance Sheet to be managed capital:

Total equity as shown in the Balance Sheet includes Retained Earnings and Share Capital. The Company aim to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimize returns to our shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company considers the amount of capital in proportion to risk and manages the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company takes appropriate steps in order to maintain, or if necessary, adjust, its capital structure. Company is not subject to financial covenants in any of its significant financing agreements.

The management monitors the return on capital as well as the level of dividends to shareholders.

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Total equity attributable to the equity shareholders of the Company</b>	<b>200,203.67</b>	<b>214,363.85</b>
As percentage of total capital	82.95%	99.58%
Non-current borrowings	3,083.00	900.00
Current borrowings	38,082.11	-
<b>Total loans and borrowings</b>	<b>41,165.11</b>	<b>900.00</b>
As a percentage of total capital	17.05%	0.42%
<b>Total capital (loans and borrowings and equity)</b>	<b>241,368.78</b>	<b>215,263.85</b>

# Notes to the Financial Statements

## 28.3.11. Fair Value Measurements

### (i) Financial instruments by category

(₹ in Lakhs)

	As on 31 <sup>st</sup> March, 2023				
	Fair value through P&L	Fair value through other comprehensive income	Amortized Cost	Total carrying Value	Total fair value
<b>Financial Asset</b>					
Loans	-	-	298.45	298.45	298.45
Trade Receivables	-	-	35,422.40	35,422.40	35,422.40
Cash and cash equivalents	-	-	50,858.20	50,858.20	50,858.20
Other Financial Assets	36.01	-	31,005.45	31,041.46	31,041.46
<b>Total Financial Assets</b>	<b>36.01</b>	<b>-</b>	<b>117,584.50</b>	<b>117,620.51</b>	<b>117,620.51</b>
<b>Financial Liabilities</b>					
Borrowings	-	-	41,165.11	41,165.11	41,165.11
Trade Payables	-	-	16,485.18	16,485.18	16,485.18
Lease Liabilities	-	-	12,567.61	12,567.61	12,567.61
Other Financial Liabilities	-	-	8,840.96	8,840.96	8,840.96
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>79,058.86</b>	<b>79,058.86</b>	<b>79,058.86</b>

(₹ in Lakhs)

	As on 31 <sup>st</sup> March, 2022				
	Fair value through profit & loss	Fair value through other comprehensive income	Amortized Cost	Total carrying Value	Total fair value
<b>Financial Asset</b>					
Loans	-	-	331.15	331.15	331.15
Trade Receivables	-	-	29,186.18	29,186.18	29,186.18
Cash and cash equivalents	-	-	35,171.20	35,171.20	35,171.20
Other Financial Assets	107.93	-	79,416.08	79,524.01	79,524.01
<b>Total Financial Assets</b>	<b>107.93</b>	<b>-</b>	<b>1,44,104.61</b>	<b>1,44,212.54</b>	<b>1,44,212.54</b>
<b>Financial Liabilities</b>					
Borrowings	-	-	900.00	900.00	900.00
Trade Payables	-	-	13,351.28	13,351.28	13,351.28
Lease Liabilities	-	-	11,677.20	11,677.20	11,677.20
Other Financial Liabilities	-	-	10,709.21	10,709.21	10,709.21
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>36,637.69</b>	<b>36,637.69</b>	<b>36,637.69</b>

# Notes to the Financial Statements

## (ii) Fair Value Hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at fair value on recurring basis:

(₹ in Lakhs)				
As at 31 <sup>st</sup> March, 2023	Level - 1	Level - 2	Level - 3	Total
Financial assets at fair value through profit or loss				
Derivative financial assets	-	36.01	-	36.01
<b>Total</b>	<b>-</b>	<b>36.01</b>	<b>-</b>	<b>36.01</b>

(₹ in Lakhs)				
As at 31 <sup>st</sup> March, 2022	Level - 1	Level - 2	Level - 3	Total
Financial assets at fair value through profit or loss				
Derivative financial assets	-	107.93	-	107.93
<b>Total</b>	<b>-</b>	<b>107.93</b>	<b>-</b>	<b>107.93</b>

There have been no transfers among Level 1, Level 2 and Level 3 during the period.

### Valuation Process

Forward contracts - Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

Trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, current borrowings, trade payables and other current financial liabilities: fair values approximate their carrying amounts largely due to the short-term maturities of these instruments.

For all other financial instruments, the carrying amount is either the fair value, or approximates the fair value.

## 28.3.12 Derivative financial instruments

The Company uses derivative instruments as part of its management of exposure to fluctuations in foreign currency exchange rates. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. The derivative transactions are normally in the form of forward contracts, and these are subject to the Company guidelines and policies.

The fair values of all derivatives are separately recorded in the balance sheet within current and non-current assets and liabilities.

The use of derivatives can give rise to credit and market risk. The Company tries to control credit risk as far as possible by only entering into contracts with reputable banks and financial institutions. The use of derivative instruments is subject to limits,



# Notes to the Financial Statements

authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board.

The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

The fair value of the Company's derivative positions recorded under derivative financial assets and derivative financial liabilities are as follows:

Particulars	(₹ in Lakhs)			
	As at 31 <sup>st</sup> March, 2023		As at 31 <sup>st</sup> March, 2022	
	Assets	Liabilities	Assets	Liabilities
Derivative financial instrument - current				
Forward foreign currency contracts	36.01	-	107.93	-

Derivative contracts entered by the Company and outstanding as at Balance Sheet date:

The category wise break up of amount outstanding as at Balance Sheet date is given below:

Particulars	(₹ in Lakhs)	
	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Forward foreign currency contracts (buy)	-	-
Forward foreign currency contracts (sell)	33,156.88	27,843.88

**28.3.13.** There is no amount due and outstanding to be credited to the Investor Education and Protection Fund as at 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022.

**28.3.14.** The Company has made the following arrangement with the Banks for availing both Fund based and non-fund-based limits from time to time.

## Non-fund based (as on 31<sup>st</sup> March, 2023)

S. No	Name of the Bank	Non-Fund Based	(₹ in Lakhs)	
			Limit	Outstanding
1	Indusind Bank	LC/BG/BC	20,000.00 (20,000.00)	5,548.57 (5,557.15)
2	Yes Bank	LC/BG	10,000.00 (10,000.00)	Nil (Nil)
3	ICICI Bank	LC/BG	8,000.00 (8,000.00)	Nil (Nil)
4	HDFC Bank	LC/BG	15,000.00 (15,000.00)	Nil (Nil)
<b>Total</b>			<b>53,000.00</b> <b>(53,000.00)</b>	<b>5,548.57</b> <b>(5,557.15)</b>

Note: Previous year figures are in bracket.

The total ₹ 5,549.00 Lakhs (Previous year ₹ 5,557.15 Lakhs) consists of ₹ 242.95 Lakhs (Previous year ₹ 1,234.98 Lakhs) and ₹ 5,305.62 Lakhs (Previous year ₹ 4,322.17 Lakhs) towards LC and BG respectively.

# Notes to the Financial Statements

In addition to above, value of matching Forward Cover outstanding with Banks is ₹ 33,156.88 Lakhs out of which ₹ 11,358.26 Lakhs booked with ICICI Bank and ₹ 21798.62 Lakhs booked with Indusind Bank (Previous year ₹ 27,843.88 Lakhs out of which ₹ 9,927.45 Lakhs booked with ICICI Bank and ₹ 17,916.43 Lakhs with Yes Bank).

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

## Fund based (as on 31<sup>st</sup> March, 2023)

S. No	Name of the Bank	Fund Based	(₹ in Lakhs)	
			Limit	Outstanding
1	Union Bank of India	Secured Overdraft Limit -against deposit	15,600.00 (15,600.00)	12,856.85 (Nil)
2	Canara Bank	Secured Overdraft Limit-against deposit	8,906.00 (15,500.00)	Nil (Nil)
3	Punjab National Bank	Secured Overdraft Limit -against deposit	30,000.00 (Nil)	2,927.20 (Nil)
4	State Bank of India	Secured Overdraft Limit -against deposit	29,202.00 (Nil)	22,298.06 (Nil)

Note:

1. Previous year figures are in bracket.
2. The Company utilize the secured overdraft limit (with lien on fixed deposits) during the year to meet its short-term working capital requirements.

**28.3.15.** During the current year, Company has declared final dividend @ ₹ 0.79 per share for the Financial Year 2021-22 (Previous year ₹ 1.64 per Shares for the Financial Year 2020-21) and paid ₹ 4801.23 Lakhs (Previous year ₹ 9,967.12 Lakhs).

Further, the Company has not declared any interim dividend for the financial year 2022-23 (Previous year ₹ 0.98 per Shares for the financial year 2021-22), paid an amount Nil (Previous year 5,955.96 Lakhs).

### Proposed Dividend:

The Company has approach DIPAM, Ministry of Finance through Ministry of Steel for seeking exemption from 'Payment of Dividend' for the Financial Year 2022-23 in line with the O.M dated 27<sup>th</sup> May 2016. Ministry of Steel vide its Office Memorandum dated 03-05-2023 recommended DIPAM to exempt KIOCL from payment of Dividend for FY 2022-23. Accordingly, no dividend has been proposed for the current year (Previous year total dividend ₹ 1.77 per Shares including interim and final dividend.)

For and on behalf of Board of Directors

Sd/-  
**T. Saminathan**  
Chairman and Managing Director  
(DIN 08291153)

Sd/-  
**Manoj Kumar Jhavar**  
Director (Finance)  
(DIN 07306454)

as per our report of even date  
**for M/s YCRJ & Associates**  
Chartered Accountants  
(FRN: : 006927S)

Place : Bangalore  
Date : 30<sup>th</sup> May 2023

Sd/-  
**P K Mishra**  
Company Secretary  
A28174

Sd/-  
**CA. Rajnish Rama Rao**  
Partner  
MRN: 202465





# KIOCL LIMITED

(A Government of India Enterprise)

(CIN: L13100KA1976GOI002974)

Regd. Office: II Block, Koramangala, Bengaluru – 560034

Tele/Fax: 080-25531525, Website: [www.kioclltd.in](http://www.kioclltd.in), E-mail: [cs@kioclltd.in](mailto:cs@kioclltd.in)

## NOTICE

**NOTICE** IS HEREBY GIVEN THAT THE FORTY-SEVENTH ANNUAL GENERAL MEETING ("AGM") OF THE MEMBERS OF **KIOCL LIMITED (CIN: L13100KA1976GOI002974)** will be held on Friday, the 22<sup>nd</sup> day of September, 2023 at 12:00 Noon through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business(es):

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2023 and the Profit and Loss Account for the Financial Year ended on March 31, 2023 together with the Reports of the Board of Directors and the Auditors thereon and Comments of the Comptroller and Auditor General of India.
2. To appoint a Director in place of Shri T. Saminathan (DIN: 08291153), who retires by rotation at this AGM and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri B. K. Mahapatra (DIN: 09613777), who retires by rotation at this AGM and being eligible, offers himself for re-appointment.
4. To pass with or without modification(s) the following Resolution as an Ordinary Resolution for fixing the remuneration of Statutory Auditors: -

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, the Board of Directors, be and are hereby authorized for fixation of Annual Statutory Audit Fee payable to the Statutory Auditors for the Financial Year 2023-24."

### SPECIAL BUSINESS

5. **Appointment of Dr. Sanjay Roy (DIN: 10045280) as a Govt. Nominee Director, liable to retire by rotation.**

To consider and if thought fit, to pass, with or without modification(s), the following Resolution, as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to Order No. S-14011/1/2022-BLA dated 03-05-2023 issued by Ministry of Steel, Govt. of India and subject to the provisions of Section 149, 152,

160, 161 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder, first proviso of Regulation 17 (1C) of SEBI (LODR) Regulations, 2015, and based on the recommendation of Nomination and Remuneration Committee and as approved by Board of Directors, the approval of the members of the Company be and is hereby accorded for the appointment of Dr. Sanjay Roy (DIN: 10045280) as a Govt. Nominee Director of the Company, liable to retire by rotation, w.e.f. 03-05-2023 and until further orders."

6. **Appointment of Shri Ganti Venkat Kiran (DIN: 10048157) as Director (Production & Projects), liable to retire by rotation.**

To consider and if thought fit, to pass, with or without modification(s), the following Resolution, as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to Order No. 5/3/2021-BLA dated 08-05-2023 issued by Ministry of Steel, Govt. of India and subject to the provisions of Section 149, 152, 160, 161 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder, first proviso of Regulation 17 (1C) of SEBI (LODR) Regulations, 2015, and based on the recommendation of Nomination and Remuneration Committee and as approved by Board of Directors, the approval of the members of the Company be and is hereby accorded for the appointment of Shri Ganti Venkat Kiran (DIN: 10048157) as a Whole-time Director to be designated as Director (Production & Projects) from the date of assumption of charge i.e., 09-05-2023 till the date of his superannuation i.e., 30-06-2027 or until further orders, whichever is earlier, liable to retire by rotation."

7. **Appointment of Shri Manoj Kumar Jhavar (DIN: 07306454) as Director (Finance), liable to retire by rotation.**

To consider and if thought fit, to pass, with or without modification(s), the following Resolution, as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to Order No. 5/2/2021-BLA dated 24-05-2023 issued by Ministry of Steel, Govt. of India and subject to the provisions of Section 149, 152,

160, 161 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder, first proviso of Regulation 17 (1C) of SEBI (LODR) Regulations, 2015, and based on the recommendation of Nomination and Remuneration Committee and as approved by Board of Directors, the approval of the members of the Company be and is hereby accorded for the appointment of Shri Manoj Kumar Jhavar (DIN: 07306454) as a Whole-time Director to be designated as Director (Finance) for a period of five years from the date of assumption of charge of the post i.e., 26-05-2023 till the date of his superannuation or until further orders, whichever is earlier, liable to retire by rotation."

#### 8. Ratification of Remuneration of the Cost Auditor

To consider and if thought fit, to pass, with or without modification (s), the following Resolution(s) as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s R. M Bansal & Co., Cost Accountants re-appointed

as cost auditor to conduct the audit of the cost records of Pellet Plant Unit of Company for the financial year 2023-24, at a remuneration of ₹ 50,000/- (Rupees Fifty Thousand Only) plus taxes as applicable and reimbursement of actual travel and other out of pocket expenses, by the Board of Directors of the Company, be and is hereby ratified and confirmed;

**RESOLVED FURTHER THAT** Chairman-cum-Managing Director, Director (Finance) and Company Secretary be and are hereby severally authorized, to settle any question, difficulty, or doubt, that may arise in giving effect to this Resolution and to do all such acts, deeds and things as may be necessary, proper, or expedient to give effect to this Resolution."

By Order of the Board of Directors  
**KIOCL Limited,**

Sd/-

**(P. K. Mishra)**

Company Secretary  
A28174

Place: New Delhi  
Dated:09-08-2023

#### NOTES:

1. The Ministry of Corporate Affairs ("MCA") vide its circular dated December 28, 2022 read with SEBI circular dated January 5, 2023, permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and aforesaid MCA and SEBI Circulars, the AGM of the Company is being held through VC / OAVM.
2. The relevant details, pursuant to Regulations 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment / re-appointment at this AGM is annexed.
3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA and SEBI Circulars dated December 28, 2022 and January 5, 2023

respectively through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip is not annexed to this Notice.

4. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. The Company has appointed FCS P. S. Bathla of M/s PS Bathla & Associates, Practising Company Secretaries as the Scrutinizer for conducting the remote e-voting and e-voting at the AGM in a fair and transparent manner.

Institutional / Corporate Shareholders are required to send a scanned copy of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [bathla7@gmail.com](mailto:bathla7@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) (CDSL).

6. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Registrar and Share Transfer Agent of the Company, in case the shares are held by them in physical form.
7. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019. Further, transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialized form with effect from January 24, 2022. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, M/s. Integrated Registry Management Services Private Limited for assistance.
8. SEBI vide its circular no. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021 and SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, has mandated to furnish PAN, KYC details and Nomination of physical shareholders to the RTA of the Company, failing which all such physical folios shall stand frozen with effect from October 1, 2023. In this regard, Company through its RTA sent letter along with requisite forms to all the physical shareholders. Further, all the requisite forms i.e., ISR-1, ISR-2, ISR-3, SH-13 and SH-14 for registering PAN, KYC details or changes and/or updations, Confirmation of Signature by Bank, Declaration for opting-out of Nomination, Request for registering Nomination and Request for cancellation or Variation in Nomination respectively are hosted on the website of the Company at <https://kioclltd.in/data.php?id=68&lang=EN>.  
  
Members are requested to register such details or intimate changes, if any, to their DP's in case the shares are held in electronic form and to Registrar and Share Transfer Agent of the Company in case the shares are held in physical form in the prescribed formats.  
  
Further, SEBI vide its circular no. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated the issuance of securities in dematerialised form only in case of requests received for Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Renewal / Exchange of securities certificate, Endorsement, Sub-division / Splitting of securities certificate, Consolidation of securities certificates/folios, Transmission and Transposition. Members are requested to furnish Form ISR-4 hosted at Company's website at <https://kioclltd.in/data.php?id=68&lang=EN> along with the respective forms mentioned at this para for executing aforesaid requests.
9. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
10. Members seeking any information regarding the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 18-09-2023 through email on [cs@kioclltd.in](mailto:cs@kioclltd.in). The same will be replied by the Company suitably.
11. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, and the Register of Contracts or Arrangements, in which the Directors are interested, maintained under Section 189 of the Act will be made available to members for inspection in electronic mode only. Members willing to inspect the aforesaid documents can write at [cs@kioclltd.in](mailto:cs@kioclltd.in) along with following details like Name of the Shareholder, Folio no. / DP ID/ Client ID as the case may be, No. of shares held in the Company and requisite document required for inspection. The requisite document will be sent through email to the concerned shareholder.
12. Relevant Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the Special Businesses, set out above is annexed hereto.
13. In pursuance to provisions of Section 152 of the Companies Act, 2013, Shri T Saminathan (DIN: 08291153), Chairman-cum-Managing Director and Shri Binay Krushna Mahapatra (DIN: 09613777), Director (Commercial) retire by rotation and being eligible, offer themselves for re-appointment. Further, brief resume pursuant to Regulation 36(3) of the Listing Regulations and as per provisions of Secretarial Standard-2 in respect of Directors seeking re-appointment/ appointment at the AGM forms part of this Notice.
14. In pursuance to provisions of Section 139(5) read with Section 142 of the Companies Act, 2013, the Auditors of a Government Company are appointed or re-appointed by the Comptroller & Auditor General (C&AG) of India and their remuneration is fixed by the Company in the Annual General Meeting. The General Meeting may authorize the Board to fix up an appropriate remuneration of Auditors for the Financial Year 2023-24 as may be deemed fit by the Board.
15. Members are requested to note that, dividends which are not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their

dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends / shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). The Company has also uploaded the details of such members whose shares have been transferred to IEPF Account on its website [www.kioclltd.in](http://www.kioclltd.in).

16. In compliance with the aforesaid MCA and SEBI Circulars, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website [www.kioclltd.in](http://www.kioclltd.in), websites of the Stock Exchanges i.e., NSE, BSE Limited & MSEI at [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com), & [www.msei.in](http://www.msei.in) respectively, and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).
17. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
18. Instructions for e-voting and joining the AGM are as under: - **CDSL e-Voting System – Remote & Venue Voting Facility.**
  1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021, December 14, 2021, May 5, 2022 & December 28, 2022, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as venue voting system on the date of the AGM will be provided by CDSL. Further, physical attendance of the Members to the AGM venue is not required since the Annual General Meeting (AGM) will be held through video conferencing (VC) or other audio-visual means (OAVM) only. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
  2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However,

the members such as the President of India or the Governor of any State/ U.T. or the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/ OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. **Process for those shareholders whose email ids/mobile no. are not registered with the Company/ Depositories:**
  - a. For Physical shareholders - Please provide necessary details like Folio No., Name of shareholder, mobile no., email ID, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [irg@integratedindia.in](mailto:irg@integratedindia.in).
  - b. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).
  - c. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository



Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33.

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

- (i) The voting period begins on Tuesday, 19-09-2023 at 09:00 a.m. and ends on Thursday 21-09-2023 at 05:00 p.m. During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 15-09-2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed

that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

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

Pursuant to aforesaid SEBI Circular, Login Method for e-voting and joining virtual meetings for Individual Shareholders holding securities in Demat mode CDSL/NSDL is given below: -

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



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

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no.: 1800 22 55 33
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

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

1. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
2. Click on "Shareholders" module.
3. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,





- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
  5. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  6. If you are a first-time user follow the steps given below:

<b>For Physical Shareholders and other than individual shareholders holding shares in Demat</b>	
PAN	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.  If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for Resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For Members holding shares in physical form, the details can be used only for e-voting on the Resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <KIOCL LIMITED> on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the Resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non-Individual Shareholders and Custodians-Remote E-Voting only**
  - Non-Individual shareholders (i.e., other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically and can be delink in case of any wrong mapping.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at the email address [bathla7@gmail.com](mailto:bathla7@gmail.com) and to the Company at the email address [cs@kioclltd.in](mailto:cs@kioclltd.in), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cs@kioclltd.in](mailto:cs@kioclltd.in).
  8. Shareholders who do not wish to express their views during the AGM but have queries, may send their queries in advance at least 7 days prior to meeting mentioning their name demat account number/folio number, email id, mobile number at [cs@kioclltd.in](mailto:cs@kioclltd.in). The same will be replied by the company suitably via email only.
  9. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
  10. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
  11. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops/iPads for better experience.
5. Further Shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

#### **OTHER INSTRUCTIONS**

- a) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-Voting (votes cast during the AGM and votes cast through remote e-Voting) and make, not later than 'two working days' of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing.
- b) The result declared along with the Scrutinizer's Report shall be placed on the Company's website at [www.kioclltd.in](http://www.kioclltd.in) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) immediately. The Company shall simultaneously forward the results to NSE, BSE and MSEI, where the shares of the Company are listed.

## DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE AGM

(Pursuant to Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Brief Profile of the Directors		
Name & DIN	Shri T. Saminathan [DIN: 08291153]	Shri Binay Krushna Mahapatra [DIN: 09613777]
Date of Birth & Age	10/05/1964 and 59 years	20/05/1966 and 57 Years
Date of Appointment	07/09/2021	30/08/2022
Qualification	<ol style="list-style-type: none"> <li>Degree in Mechanical Engineering from University of Madras</li> <li>Post Graduate Diploma in Business Management from XIME Bangalore.</li> </ol>	Graduate in Metallurgical Engineering from National Institute of Technology (formerly known as Regional Institute of Technology), Jamshedpur
Nature of expertise in specific functional areas	Shri T Saminathan has more than three decades of experience in KIOCL Ltd in Iron ore Mining, Beneficiation, Palletization and Pig iron making since he joined in the year 1986 as Graduate Engineer. He is holding Degree in Mechanical Engineering and Post Graduate Diploma in Business Management. He is a life time member in Indian Institute of Materials management (IIMM) and Indian Institute of Mineral Engineers (IIME).	Shri Binay Krushna Mahapatra is having more than three decades of experience in Metal and Mineral Sector, out of which 27 years in Steel Industry and 6 years in Aluminium Industry. He is Graduate in Metallurgical Engineering passed with distinction from National Institute of Technology, Jamshedpur in the year 1988 and started his career in the same year with RINL as a Management Trainee (Technical) and later joined NALCO in the year 2016.
Disclosure of relationships between Directors inter-se	There exists no relationship between Directors inter-se	There exists no relationship between Directors inter-se
Directorship held in other listed entities	NIL	NIL
Cessation from listed entities (in past 3 years)	NIL	NIL
Membership/ Chairmanship of Committees of the Board	NIL	Member of Stakeholders Relationship Committee, Risk Management Committee and Investment, Project Appraisal & Monitoring Committee of the Board
No. of Equity shares held in KIOCL Limited	NIL	NIL
Attendance in Board Meetings held during FY 2022-23	No. of meetings held: 7 No. of meetings attended: 7	No. of meetings held: 4 (After Appointment) No. of meetings attended: 4

## EXPLANATORY STATEMENT

### [Pursuant to Section 102(1) of the Companies Act, 2013]

As required by Section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item No. 5, 6, 7 & 8 of the accompanying Notice: -

#### **Item No. 5: Appointment of Dr. Sanjay Roy (DIN- 10045280) as a Govt. Nominee Director, liable to retire by rotation.**

Pursuant to the order No. S-14011/1/2022-BLA dated 03-05-2023 of Ministry of Steel, Government of India, Shri Sanjay Roy (DIN: 10045280) was appointed as an Additional Director designated as Government Nominee Director by the Board of Directors w.e.f. 03-05-2023 and until further orders, subject to the approval of shareholders of the Company.

Further, the appointment of Dr. Sanjay Roy as Govt. Nominee Director has been recommended to the Shareholders by the Nomination and Remuneration Committee of the Company.

In accordance with the first proviso of Regulation 17(1C) of SEBI (LODR) Regulations, 2015, a Public Sector Company shall ensure that the approval of the shareholders for appointment or re-appointment of a person on the Board of Directors is taken at the next General Meeting.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company is, in any way, concerned or interested, financially or otherwise, in this Resolution.

The Board of Directors recommends the Ordinary Resolution for approval of the shareholders.

A brief profile of Dr. Sanjay Roy in accordance with the Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as given below: -

Brief Profile of the Director	
Name & DIN	Dr. Sanjay Roy [DIN-10045280]
Date of Birth & Age	16-09-1970 & 52 years
Date of Appointment	03-05-2023
Qualifications	<ul style="list-style-type: none"> <li>• MBBS from University College of Medical Sciences, New Delhi</li> <li>• Foundation Course from HCM, Rajasthan</li> <li>• Training in Media Management &amp; Communication from Queensland University of Technology, Brisbane, Australia</li> <li>• Training in Management Skills &amp; Media from Berkely, USA</li> </ul>
Nature of expertise in Specific functional areas	Dr. Sanjay Roy, is Joint Secretary in Ministry of Steel, Government of India and Govt. Nominee Director on the Board of the Company since 03-05-2023. He belongs to the Indian Information Service (Cadre-1997). He holds a MBBS degree from University College of Medical Sciences, New Delhi. He has done foundation course from HCM Rajasthan, Institute of Public Administration in 1997 and got training in media Management and Communication from Queensland University of Technology, Brisbane, Australia and Training in Management Skills and Media at Berkely, US.
Disclosure of relationships between Directors inter-se	There exists no relationship between Directors inter-se.
Directorship held in other listed entities	MOIL Limited
Cessation from listed entities (in past three years)	NIL
Membership/Chairmanship of Committees of the Board	Member of the Nomination & Remuneration Committee of the Board
No. of Equity shares held in KIOCL Limited	NIL



## Item No. 6: Appointment of Shri Ganti Venkat Kiran (DIN - 10048157) as Director (Production & Projects), liable to retire by rotation

Pursuant to Ministry of Steel, Government of India order No. 5/3/2021-BLA dated 08-05-2023, Shri Ganti Venkat Kiran (DIN: 10048157) has assumed the charge of post of Director (Production & Projects) on 09-05-2023 and will hold the charge till the date of his superannuation i.e., 30-06-2027 or until further orders, whichever is earlier. Accordingly, Shri Ganti Venkat Kiran was appointed as an Additional Director designated as Director (Production & Projects) w.e.f. the date of his assumption of charge of post i.e., 09-05-2023 by the Board of Directors, subject to the approval of shareholders of the Company.

Further, the appointment of Shri Ganti Venkat Kiran as Director (Production & Projects) has been recommended to the Shareholders by the Nomination and Remuneration Committee of the Company.

In accordance with the first proviso of Regulation 17(1C) of SEBI (LODR) Regulations, 2015, a Public Sector Company shall ensure that the approval of the shareholders for appointment or re-appointment of a person on the Board of Directors is taken at the next General Meeting.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company is, in any way, concerned or interested, financially or otherwise, in this Resolution.

The Board of Directors recommends the Ordinary Resolution for approval of the shareholders.

Brief profile of Shri G.V. Kiran in accordance with the Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as given below: -

<b>Brief Profile of the Director</b>	
Name & DIN	Shri Ganti Venkat Kiran [DIN-10048157]
Date of Birth & Age	05-06-1967 & 56 Years
Date of Appointment	09-05-2023
Qualifications	B.E. (Mechanical) from National Institute of Technology, Bhopal
Nature of expertise in Specific functional areas	Shri Ganti Venkat Kiran is the Director (Production & Projects) of the Company since 09-05-2023. He is a Graduate in Mechanical Engineering from National Institute of Technology, Bhopal. Previously worked with Pro Minerals Pvt. Ltd, Essar Steel Ltd. & BPRL, Odisha. He joined Company in the year 2019 as GM (Projects & Technical Services). He is having over three decades of experience in Steel Sector. He has worked in construction of Pellet Plants and had experience in operations & maintenance of Pellet Plant and Beneficiation Plant.
Disclosure of relationships between Directors inter-se	There exists no relationship between Directors inter-se.
Directorship held in other listed entities	NIL
Cessation from listed entities (in past three years)	NIL
Membership/Chairmanship of Committees of the Board	Member of the Audit Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee, Risk Management Committee and Investment, Project Appraisal & Monitoring Committee of the Board.
No. of Equity shares held in KIOCL Limited	NIL

### Item No. 7: Appointment of Shri. Manoj Kumar Jhavar (DIN- 07306454) as Director (Finance), liable to retire by rotation

Pursuant to Ministry of Steel, Government of India order No. 5/3/2021-BLA dated 24-05-2023, Shri Manoj Kumar Jhavar (DIN: 07306454) has assumed the charge for the post of Director (Finance) on 26-05-2023 for the period of five years from the date of his assumption of charge or till the date of his superannuation or until further orders, whichever is earlier. Accordingly, Shri Manoj Kumar Jhavar was appointed as an Additional Director designated as Director (Finance) w.e.f. the date of his assumption of charge of post i.e., 26-05-2023 by the Board of Directors, subject to the approval of shareholders of the Company.

Further, the appointment of Shri Manoj Kumar Jhavar as Director (Finance) has been recommended to the Shareholders by the Nomination and Remuneration Committee of the Company.

In accordance with the first proviso of Regulation 17(1C) of SEBI (LODR) Regulations, 2015, a Public Sector Company shall ensure that the approval of the shareholders for appointment or re-appointment of a person on the Board of Directors is taken at the next General Meeting.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company is, in any way, concerned or interested, financially or otherwise, in this Resolution.

The Board of Directors recommends the Ordinary Resolution for approval of the shareholders.

Brief profile of Shri Manoj Kumar Jhavar in accordance with the Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as given below: -

Brief Profile of the Director	
Name & DIN	Shri Manoj Kumar Jhavar [DIN-07306454]
Date of Birth & Age	20-08-1968 & 55 Years
Date of Appointment	26-05-2023
Qualifications	Cost Accountant from The Institute of Cost Accountants of India B.E. (Mechanical) from GEC - Ujjain (MP) M.E. (Industrial Engineering and Management) from SGSITS - Indore (MP) Ph.D. from DAVV - Indore (MP)
Nature of expertise in Specific functional areas	Shri Manoj Kumar Jhavar is the Director (Finance) of the Company since 26-05-2023 and designated as Chief Financial Officer of Company since 30-05-2023. He is a graduate in Mechanical Engineering with PG in Industrial Engineering & Management. Shri Jhavar is also the member of the Institute of Cost Accountants of India and holds a Doctorate (PHD) in Management Sciences. He is having experience of more than three decades in the field of Power Sector and has worked in Commercial, IT, Management, Finance and Engineering Domains. Prior to joining Company, he was working with Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Ltd. as Executive Director.
Disclosure of relationships between Directors inter-se	NIL
Directorship held in other listed entities	NIL
Cessation from listed entities (in past three years)	NIL
Membership/Chairmanship of Committees of the Board	Member of CSR Committee, Risk Management Committee and Investment, Project Appraisal & Monitoring Committee.
No. of Equity shares held in KIOCL Limited	NIL





## Item No. 8: Ratification of the Remuneration of Cost Auditor

The Board of Directors of the Company, on the recommendation of the Audit Committee, has approved the re-appointment of M/s R.M. Bansal & Co., Cost Accountants to conduct the audit of the cost records of the Pellet Plant Unit of Company for the Financial Year 2023-24, at a remuneration of ₹ 50,000/- (Rupees Fifty-Thousand Only) plus taxes as applicable and reimbursement at actual travels and other out of pocket expenses.

In accordance with the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to the Cost Auditors as approved by Board of Directors is required to be subsequently ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 8 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year 2023-24.

None of the Directors / Key Managerial Personnel of the Company is, in any way, concerned or interested, financially or otherwise, in this Resolution.

The Board recommends the Ordinary Resolution for approval by the shareholders.

By Order of the Board of Directors  
**KIOCL Limited,**

Sd/-  
**(P. K. Mishra)**  
Company Secretary  
A28174

Place: New Delhi  
Dated: 09-08-2023

## THE RESOLUTIONS LISTED FOR 47<sup>TH</sup> AGM ARE INDICATED BELOW: -

Sl. No.	Resolution
<b>ORDINARY BUSINESS</b>	
1.	Adoption of Financial Statements for the year ended 31 <sup>st</sup> March, 2023 and the Reports of the Board of Directors and the Auditors thereon and Comments of the C&AG.
2.	Re-appointment of Shri T. Saminathan (DIN: 08291153), as a director, who retires by rotation.
3.	Re-appointment of Shri B. K Mahapatra (DIN: 09613777), as a director, who retires by rotation.
4.	Fixing the remuneration of Statutory Auditors.
<b>SPECIAL BUSINESS</b>	
5.	Appointment of Dr. Sanjay Roy (DIN: 10045280) as Govt. Nominee Director, liable to retire by rotation
6.	Appointment of Shri. G.V Kiran (DIN: 10048157) as Director (Production & Projects), liable to retire by rotation
7.	Appointment of Shri. Manoj Kumar Jhawar (DIN: 07306454) as Director (Finance), liable to retire by rotation
8.	Ratification of the Remuneration of the Cost Auditor.

## KIOCL Offices

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### CORPORATE OFFICE

II Block, Koramangala  
Bengaluru - 560 034  
Tel No.: 080-25531461 to 080-25531466  
Fax No.: 080 25532153,  
25535941, 25630984  
E-mail: [cs@kioclltd.in](mailto:cs@kioclltd.in)

### VISAKHAPATNAM OFFICE

Door No. 15-15-13/7, Flat No.: S-2  
Satya Sai Nivas, Buddhavarapu Gardens, Beach Road,  
Visakhapatnam-530 002  
Andra Pradesh,  
Telephone/Fax No.: 0891-2739530  
E-mail: [kioclvizag@kioclltd.in](mailto:kioclvizag@kioclltd.in)

### MANGALURU OFFICE

New Mangaluru Port, Panambur  
Mangaluru-575 010. Karnataka  
Telephone No.: 0824-2403393/2408124  
Fax No.: 0824-2407422  
E-mail: [mgmp@kioclltd.in](mailto:mgmp@kioclltd.in)

### KUDREMUKH OFFICE

Kudremukh, Jamble Post - 577 124  
Chickmagalur District, Karnataka  
Telephone No.: 08263 254148  
Fax No.: 08263 254117  
E-mail: [kgmk@kioclltd.in](mailto:kgmk@kioclltd.in)

### BLAST FURNACE UNIT

Plot No. 456 & 457, Baikampady  
Industrial Area, Panambur,  
Mangaluru – 575 010  
Telephone No.: 0824-2408911  
Fax Nos: 0824-2409366, 2408944  
E-mail: [bfugmp@kioclltd.in](mailto:bfugmp@kioclltd.in)

### BACHELI OFFICE

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

### NEW DELHI OFFICE

Himalaya House, 9<sup>th</sup> Floor, No. 23  
Kasturba Gandhi Marg,  
New Delhi - 110 001  
Telephone No.: 011 23315665, 23315686  
Fax No.: 011 23721696  
E-mail: [kiocln@kioclltd.in](mailto:kiocln@kioclltd.in)

### BAGALAKOTE OFFICE

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

### SANDUR OFFICE

Door No. 375,  
Prashanth Nivas,  
Krishna Nagar,  
Sandur – 583 119  
Bellary District, Karnataka  
E-mail: [smed@kioclltd.in](mailto:smed@kioclltd.in)

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**REGISTERED OFFICE**

**KIOCL LIMITED**

II Block, Koramangala, Bengaluru - 560 034,  
Karnataka, India.

**Tel No.:** 080 2553 1461- 466

**Website:** [www.kiocltd.in](http://www.kiocltd.in)

