



# 49<sup>th</sup> Annual Report 2021-22



## मेकॉन लिमिटेड

(भारत सरकार का संस्थान)

## MECON LIMITED

(A Govt. of India Enterprise)



MECON was awarded in the category of Engineering Services & Consultancy for demonstrating high order of business excellence during 36th Indian Engineering Congress.



MECON was awarded the "Ispat Rajbhasha Karyanwayan Samman" for 2019-20 for its excellent work in the progressive use of Hindi during Hindi Advisory Committee Meeting.



MECON was awarded in 17th National Award on Excellence in Cost Management-2019. The prestigious award presented by Shri Piyush Goyal, Hon'ble Union Minister for Commerce & Industry, Textiles, Consumer Affairs and Food & Public Distribution was received by CMD MECON and Director(F).



MECON was awarded 'Rajbhasha Nishta Samman' during the Hindi Advisory Committee meeting held at Gangtok.



Shri Sanjay Singh, Secretary to Gol, MoS, visited MECON and interacted with Senior officials of MECON. He also encouraged young employees of MECON towards expanding their knowledge horizon & motivated them to come up with new business ideas & prospects for the development of Nation.



Shri Ajay Kumar Mishra, Hon'ble Minister of State, Minister of Home Affairs, Govt. of India visited MECON and interacted with senior officials of MECON.



CMD MECON, addressed the gathering in International Conference on Indian Minerals & Metals Industry, which was inaugurated by Hon'ble Minister of Steel, Gol at New Delhi and talked about Raw material security, Efficient use of low grade ores and Beneficiation of Coal & Iron ore.



MECON commemorated The Iron Man of India, Sardar Vallabhbhai Patel's Birth Anniversary, as Rashtriya Ekta Diwas by organizing Unity run, March past and Pledged to preserve the Unity, Integrity and Security of the nation.

## VISION

**To be an internationally recognized brand in design, engineering, consultancy, project management and EPC execution.**

- To be a global centre of excellence for providing innovative and cost-effective engineering and technological solutions in Metals & Mining as well as diversified sectors like Energy, Infrastructure, Space, Defence etc.
- Leverage deep domain knowledge in the metals and mining sectors to provide solutions from concept to commissioning.
- Leverage in-house capabilities to provide engineering, technological and project management services to priority sectors of economy.
- Develop indigenous technological base and promote self reliance.
- Expand geo-strategic presence and export of services.

## MISSION

Vision

Mission

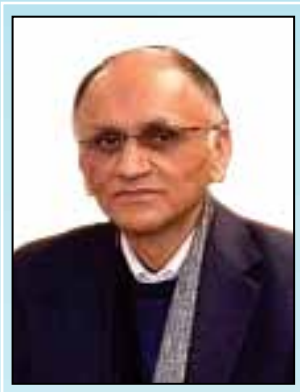




**Shri Jyotiraditya M. Scindia**  
Hon'ble Union Minister of Steel,  
Govt. of India



**Shri Faggan Singh Kulaste**  
Hon'ble Union Minister of State for Steel  
Govt. of India



**Shri Sanjay Kumar Singh**  
Secretary to Gol, Ministry of Steel

As per website of Ministry of Steel  
<http://steel.gov.in>



# LEADERSHIP AT MECON



**Shri Salil Kumar**

Chairman and Managing Director (Addl. Charge) & Director (Projects)



**Smt. Sukriti Likhi, IAS**

Government Director



**Shri R. H. Juneja**

Director (Finance)



**Shri S. K. Verma**

Director (Commercial)



**Shri A. K. Agrawal**

Director (Technical)



**Smt. Manju Chandra**

Independent Director

# CORPORATE INFORMATION

## BOARD LEVEL COMMITTEES\*

### Audit Committee

Smt. Manju Chandra  
Smt. Sukriti Likhi, IAS  
Shri S. K. Verma

### CSR & Sustainability Committee

Smt. Manju Chandra  
Shri R.H. Juneja  
Shri S. K. Verma

### Nomination & Remuneration Committee

Smt. Manju Chandra  
Smt Rasika Chaube#  
Shri Salil Kumar

## COMPANY SECRETARY \*

Shri Sudesh Kumar Rathi

## FINANCE INCHARGE

Shri S. Samanta

## BANKERS

State Bank of India  
Union Bank of India  
Bank of Baroda  
Punjab National Bank  
Bank of India  
Indian Overseas Bank  
HDFC Bank  
Axis Bank  
ICICI Bank

## STATUTORY AUDITOR\*

M/s Anjali Jain & Associates  
Chartered Accountants,  
Jain Villa, Near Guru Nanak School,  
P.P. Compound, Ranchi – 834001  
(Jharkhand)

## REGISTERED OFFICE

Vivekanand Path, Doranda  
Ranchi - 834002  
Jharkhand, INDIA  
Website : [www.meconlimited.co.in](http://www.meconlimited.co.in)  
CIN : U74140JH1973GOI001199

# Her appointment tenure in MECON ended on 30.07.2022

\*As on the date of AGM

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## CHAIRMAN'S SPEECH



**Dear Fellow Shareholders,**

On behalf of the Board of Directors of MECON, I welcome you all to the 49th Annual General Meeting of your Company.

The Directors' Report and the Audited Accounts for the year ending 31st March, 2022 along with Statutory Auditor's Report and comments of Comptroller and Auditor General of India thereon, have already been shared with you. With your kind permission, I take them as read.

I would like to begin by reflecting on the year gone by and share with you the milestones in the journey of your Company during FY 2021-22.

The second wave of COVID-19, spilled over to the first quarter of FY 2021-22, caused a sharp surge in cases across the country, overwhelmed the health infrastructure, resulting in shortage of hospital beds, critical drugs and oxygen. Your Company not only equipped itself but also contributed towards nation's fight against COVID-19 by taking following steps :

- Contributed ₹5 Lakh to "Jharkhand State Disaster Mitigation Fund" in respect of COVID-19 Pandemic Relief through CSR fund
- Conversion of 30 beds, at our Ispat Hospital, into a COVID Care Unit
- Installation of Pressure Swing Adsorption (PSA) Oxygen plant at Ispat Hospital, Ranchi

Expansion of provisions of Leave for employees, to provide relief for cases of COVID- 19 infection

Even amidst the two waves of COVID-19 infections and thereafter, the employees of your Company constantly worked as a cohesive team to ensure progress of projects entrusted to us.

With a great sense of honour and responsibility, your Company has provided its unceasing support and assistance to Ministry of Steel, Govt. of India, in its numerous initiatives. A Production Linked Incentive (PLI) Scheme for Speciality Steel has been designed with the prime objective of promoting manufacturing of speciality steel grades within the country and help the Indian steel industry mature in terms of technology, as well as move up the value chain. Your company has been instrumental in drafting the PLI scheme and its guidelines.

Based on the confidence, built over years of association, MECON has also been entrusted with the responsibility of being the Project Management Agency (PMA) for implementation of this PLI Scheme for Speciality Steel, across the nation.

The PLI scheme was approved by the Union Cabinet on 22<sup>nd</sup> July 2021, with an outlay of ₹6,322 Crore, covering five broad product categories. Your Company is whole-heartedly committed towards successful implementation of this impactful scheme of Govt. of India.



Your Company's continuous stride towards excellence has been recognized with following awards during FY 2021-22 :

1. Your Company has bagged Award for Excellence in Cost Management 2019, in the second place, in recognition of our efforts in Cost Management, in the Consulting category. This is MECON's 2nd consecutive award for Excellence in Cost Management.
2. Your Company received IEI Industry Excellence Award 2021, in the category of Engineering Services & Consultancy, for demonstrating high order of business excellence, during 36<sup>th</sup> Indian Engineering Congress.
3. माननीय इस्पात मंत्री एवं माननीय इस्पात राज्यमंत्री द्वारा हिंदी के प्रगामी प्रयोग में उत्कृष्ट कार्य करने पर मेकॉन को वर्ष 2019-20 के लिए "इस्पात राजभाषा प्रेरणा पुरस्कार" से, मदुरै में आयोजित हिंदी सलाहकार समिति की बैठक में, सम्मानित किया गया।

In continuation to this, let me share your Company's Physical and Financial performance in the fiscal 2021-22 :

#### Physical Performance :

I am really proud to state that even during surge in market, due to COVID-19, your Company has bagged prestigious projects in the business verticals of Metals, Energy (Power, Oil & Gas) and Infrastructure. Your Company has secured a commendable Order Booking position of ₹1950.12 Cr. of which, the share of Consultancy business is ₹915.69 Cr whereas EPC/ Turnkey amounts to ₹274.51 Cr and Deposit works business is ₹759.91 Cr.

With this backdrop, I would like to share some of the significant jobs bagged with concerted marketing efforts, in the three business verticals.

At this juncture, I am elated to inform that, firming up on its decades of experience in the Iron and Steel industry, your Company has forayed into the area of Operation & Maintenance services of Integrated Steel Plant and has already received the Work Order from NMDC to provide Operation & Maintenance (O&M) services for 3.0 MTPA Integrated Steel Plant at Nagarnar. Your Company is taking up the responsibility for Manpower planning / deployment of balance manpower for Pre-Commissioning, Commissioning, achieving Rated Capacity and subsequent O & M.

I am sure that our Company has the capability to convert this path-breaking opportunity into an exemplary model of MECON's competence.

Some of the other important projects, secured in this fiscal, are :

- Supply of One Year O&M Spares for Bauxite Storage, Handling & Secondary Crushing Package for 1.0 Mtpa Alumina Refinery at Damanjodi, Odisha of National Aluminium Co. Ltd. (NALCO)
- Design Engineering and Consultancy (DEC) services for balance engineering of RMHS, Blast Furnace, Sinter Plant, Steel Melt Shop, Lime Calcination Plant & common facilities at Duburi, Odisha of Jindal Stainless Limited
- Project Management Consultancy Services for upcoming projects for Natural Gas Pipeline in Gujarat of Gujarat State Petronet Limited
- Project Management Consultancy (PMC) Services, as additional work, for Bokaro - Angul - Dhamra Pipeline Section alongwith Spurlines of Jagdishpur - Haldia - Bokaro - Dhamra Pipeline (JHBDPL) of GAIL (India) Limited
- Engineering and Project Management Consultancy (EPMC) Services for M/s GAIL for CNG Dispensing Station on first-of-its-kind Floating Jetty and conversion of 500 nos. of Diesel/Petrol boats to CNG

#### Financial Performance

Amidst the operational challenges put forth by COVID-19, your Company believed in the strategy of adopting a more focused approach towards project execution, through timely resolution of project related problems, rationalization of manpower deployment and development of project specific norms/guidelines, which resulted in ₹602.75 Crore of Revenue from Operations and ₹586.67 Crore of Turnover. Your Company remained Profitable in the 5th consecutive year, with an improved Profit Before Tax of ₹19.54 Crore and Company's Net worth has increased to ₹431.75 Crore. The Company shall pay a Dividend of ₹4.11 Crore, for FY 2021-22, to GoI.

#### Environment Management

I am elated to inform that your Company has carried Ecological Damage Assessment Studies and suggested corresponding Remedial Management Plans, along with Environmental and Community Resource

Augmentation, for esteemed Clients viz. Iron Ore Mines of OMC, Integrated Steel Plant of RINL, Steel Plant of ESL – Vedanta, Copper Ore Mines of HCL, etc.

Your Company is providing consultancy services for SAIL Rourkela Steel Plant (RSP) for installation of 30 MLD (1250 m<sup>3</sup>/h) capacity Domestic Sewage Effluent Treatment in RSP's Township for Recycling / Reuse of the treated water as makeup water to their steel plant. This will result in reduction in fresh water consumption. Your Company also provides services to RSP for achieving near Zero Liquid Discharge for their Integrated Steel Plant, by providing engineering solution for treatment of their out fall discharges and recycling for its reuse in the steel plant.

Your Company is also providing consultancy services for Odisha Mining Corporation for construction of Effluent Treatment Plants, for remediation of Hexavalent Chromium from their Chromite mine discharge effluent, to protect the surface water bodies from contamination.

Augmenting MECON's dimension in Environment Management, the project for installation of Continuous Ambient Air Quality Monitoring Stations is going on PAN India basis, at 21 States and 4 Union Territories, for Central Pollution Control Board, MoEFCC in order to map the Ambient Air Quality of various states of our country.

Within MECON Office premises, till date, 140 kWp of Solar Energy Power Generating units have been installed, of which 60 kWp Solar Energy Power Unit have been commissioned in FY 2021-22.

### Human Resource

For a knowledge-based company like MECON, its competent and highly skilled human resource becomes its USP. Your Company is specially blessed with a unique blend of energetic youth and wisdom of experienced minds to conquer newer heights.

With the motive of remaining agile in this ever-changing field of Engineering Consultancy, your Company has made efforts to equip its employees with the recent technologies and on-going developments in the related fields. Even the challenging time of COVID pandemic could not budge us from our commitment towards training and development of our employees. Numerous programs were organized through virtual mode and both short as well as long term courses

were taken by employees, through on-line programs being organized by 'Centre of Excellence' institutes, spread all over the country.

### Corporate Social Responsibility

Your Company enthusiastically shoulders its responsibility towards the Society and significantly contributes towards its betterment. The primary thrust of your Company is on education, healthcare and women empowerment in slum and backward areas, in and around Ranchi as well as adopted villages of Ranchi and Khunti districts, which are identified as Aspirational districts by Gol.

During FY 2021-22, your Company, in addition to the Regular CSR Programs – Women Empowerment through Skill Development and Education, has worked towards the Government's Annual theme of "Healthcare & Nutrition, with Special Focus on COVID related measures including Setting-up Makeshift Hospitals and Temporary COVID Care facilities".

### Steps towards Good Governance

Your Company understands the importance of good corporate governance practices in its functioning. Best industrial practices, transparent financial dealings, e-tendering processes and smooth channel for information flow aids to good governance in the Company.

Like the past years, this year also your Company scored 'Excellent' rating in compliance to Guidelines on Corporate Governance issued by Government of India, which maintains our record of Excellent rating every year since inception.

### Acknowledgment

Congruent efforts and judicious decisiveness have led your Company on path of sustainable growth. We are grateful to our customers, employees, shareholders, suppliers, bankers and Government, for their exceptional contribution and unshakable confidence in the capabilities of the company.

We place on records, our sincere gratitude towards Ministry of Steel, Govt. of India, for their constant support and counsel, which is critical to our growth.

We see significant opportunities for development over the next several years and we look forward to the next stage of our journey together.

**Thank you & Jai Hind!**

## BOARD REPORT

### Dear Members,

Your Directors have the pleasure in presenting 49th Annual Report on the operations of the Company and the Statements of Accounts for the Financial Year ended on 31<sup>st</sup> March, 2022.

The Report of the Statutory Auditors and the Comments on the Accounts of the Company by the Comptroller and Auditor General of India (C&AG) are annexed to this Report.

### 1. PHYSICAL PERFORMANCE

Your Company has not only surmounted the pandemic crisis but also leveraged opportunities amidst numerous challenges to catalyse future growth and the Company has continued to tread on the path of sustainable growth and profitability.

Taking multiple challenges in its stride, your Company has excelled, riding on the strength of its dedicated workforce and has been able to secure highest Consultancy orders in FY 2021-22 in last 10 years while maintaining the profitable trail. With the revival of investments in CAPEX intensive projects in Metals sector, most of the private sector clients have continued to repose their confidence in your Company along with many new clients who have engaged your Company for their various projects.

In its endeavor to adopt strategic approach in a dynamic environment, your Company has ventured into a new business area of Operation and Maintenance of Integrated Steel Plant. This will augment the existing knowledge base and domain expertise of the Company. In another notable development, your Company has been appointed as Project Management Agency (PMA) for implementation of Production Linked Incentive (PLI) Scheme for specialty steel for and on behalf of Ministry of Steel, Govt. of India.

Sector-wise major projects completed/under progress during the year include:

#### Metals Sector

- Detailed Engineering & Consultancy services including Project Management Consultancy services are being provided by your Company for setting up of 3.0 Mtpa Integrated Steel Plant of

NMDC Limited at Nagarnar and following are the major achievements:

- Chimney#1 of COB#1 has been lighted-up and subsequently COB#1 heating-up started.



- Preliminary Acceptance Certificate of Hot Strip Mill has been issued.



- Preliminary Acceptance Certificate (PAC) of Power Blowing Station has been issued.



- Compressed Air Station (CAS) has been successfully commissioned and commissioning certificate for CAS 1 & CAS 2 has been issued.



- Preliminary Acceptance Certificate (PAC) of Diesel Generator Station has been issued.



- The commissioning certificate of Plant Power Distribution System (PPDS) has been issued.



- Individual trial run of Caster equipment has been completed and BOF equipment & facilities are in advanced stage of completion. Integrated trial run for the process equipment is being done.
- Ghost casting (simulation with level 1 system) has been conducted.
- Integrated Cold trial has been completed for TSC-TF- HSM.



- Your Company once again proved as trusted indigenous technology supplier for installation of Mini-Blast Furnace, Sinter Plant and Ductile Iron Spun Pipe (DISP) Plant by setting-up of 380m<sup>3</sup> (WV) BF complex, Sinter plant and DISP for M/s Welspun Metalics Limited at Bhuj, Gujarat. The plant has been successfully commissioned.



- SAIL/Durgapur Steel Plant, Durgapur has entrusted your Company for installation of 4th Hot Blast Stove in existing Blast Furnace # 4 at DSP, Durgapur. The Project is under execution on Turnkey mode.
- JSW Steel Limited, Dolvi Works has entrusted your Company for providing Consultancy & Engineering Services for installation of 80 T/ hr Coal Pulverization System for their Blast Furnace#1. The Project is under execution.

- Your Company is providing Detailed Engineering & Consultancy services for optimum utilization of resources and for maximizing hot metal production through augmentation of Raw Material handling and material feeding system to Blast Furnace # 1 & 2 at JSW Steel Limited, Vijayanagar Works. The project is under execution.
- Your Company is providing Detailed Engineering & Consultancy services for upgradation of Blast Furnace No.3 of ESL Steel Limited, Bokaro from 350 m<sup>3</sup> (UV) to 473 m<sup>3</sup> (UV). The plant has been successfully commissioned.
- JSPL has entrusted your Company for upgradation of their existing pulverised coal injection system of Blast Furnace No. 1 of 686 m<sup>3</sup> at their Raigarh works. The project is under execution.
- Your Company is providing Detailed Engineering & Consultancy services to M/s Jai Balaji Industries Limited for installation of new Blast Furnace of 305 m<sup>3</sup> (WV) at Durgapur, West Bengal. The project is under execution.
- M/s Jai Raj Ispat Limited has entrusted your Company for providing in-house technology know-how, design, engineering and consultancy services for installation of 380 m<sup>3</sup> (UV) BF complex, 75 m<sup>2</sup> Sinter Plant at Kurnool, Andhra Pradesh. The project is under execution.
- M/s Bengal Energy Limited, Kharagpur, West Bengal has entrusted your Company for providing technology know-how, Design, Engineering & Consultancy services for installation of 320 m<sup>3</sup> (WV) BF Complex, 60 m<sup>2</sup> Sinter Plant in their Kharagpur plant. The project is under execution.
- M/s Jindal Steel Odisha Limited, Angul has entrusted your Company for vetting of engineering for one of the India's largest twin Blast Furnace each having useful volume of 5499 m<sup>3</sup>. The project is under execution.
- Your Company is providing Detailed Engineering & Consultancy services for upgradation and modification of existing MECON designed MBF-1 Complex of M/s Tata Steel Long Products Ltd., Gamaharia, Jharkhand. The project is under execution.
- Your Company is getting sustained business in providing indigenous technology for installation of Mini-Blast Furnace, Sinter Plant and Ductile Iron

Spun Pipe (DISP) Plant by getting order for setting-up of 380 m<sup>3</sup> (WV) BF complex, 70 m<sup>2</sup> sinter plant and 0.3 MTPA DISP from M/s SMIORE at Hospet, Karnataka. The project is under execution.

- Your Company has successfully completed preparation of Techno-Economic Feasibility Report (TEFR) for replacement of Oil burners with Gas Burners in Pellet Plant and Captive Power Plant at KIOCL Limited, Mangalore.
- Your Company has successfully completed preparation of Techno-Economic Feasibility Report (TEFR) for setting up of 2x900 TPD Coal based DRL unit, 80MW Power Plant and revising the Pellet Plant capacity to 2.4 MTPA for Suryadev Alloys & Power Private Limited.
- Performance Guarantee Certificate (PGC) and Final Acceptance Certificate (FAC) for the alternate Coke Oven Gas Fuel Main for COB-10 of SAIL/IISCO Steel Plant, Burnpur has been obtained from SAIL. The project has been executed on Turnkey mode.



- Rebuilding of Coke Oven Battery No. 7 & 8 of SAIL/Bhilai Steel Plant, Bhilai is under execution on Turnkey mode.



- Battery heating-up has been started under Rebuilding of Coke Oven Battery No. 8 of SAIL/

Bokaro Steel Plant, Bokaro. The project is under execution on Turnkey mode.



- Refractory Laying (first milestone) has been started under Rebuilding of Coke Oven Battery No. 2 of SAIL/Rourkela Steel Plant, Rourkela. The project is under execution on Turnkey mode.



- Coal India Limited (CIL) - Mahanadi Coalfields Limited (MCL), Kaniha, Odisha has entrusted your Company for Turnkey execution for Design, Supply, Erection, Commissioning and Trial run with O&M during Defect Liability Period for Coal Handling Plant and Rapid Loading System with Surge-Bin at Kaniha, Odisha. The project is under execution.
- Consultancy services for Review of Basic Engineering & P-Stage Engineering Services for New Construction of Pellet Plant on the territory of PJSC Arcelor Mittal KryvyiRih (AMKR) Ukraine. The job started in 2021 and after about 50% progress the job had to be stalled due to force majeure. Project extension has been granted by Client upto Dec 2022.
- NALCO has entrusted your Company for EPC job of Bauxite Storage, Handling & Secondary Crushing Package for 1.0 Mtpa Alumina Refinery at Damanjodi, Odisha. The project is under execution.



- Your Company is executing the EPC contract for setting-up of additional Coal handling Plant (10 MTPA) including O&M for 5 years for Eastern Coal Fields Limited at Lalmatia under Rajmahal Coalfield. The project is under execution.



- Your Company has successfully completed the Design, Engineering & Consultancy services for Modification in Coke Screening Building and Stock House of BF-1 for JSW, Dolvi.

#### Non Ferrous Sector

- Detailed Project Report (DPR) for setting-up Red Mud Filtration (Dry) System at Alumina Refinery, NALCO, Damanjodi has been submitted.



- Techno-Economic Feasibility Report (TEFR) for setting-up a Greenfield Integrated 4.0 Lakh TPA Copper Smelter & Refinery Plant and 9.0 Lakh TPA Fertilizer Plant at Gujarat for Indo Asia Copper Ltd has been submitted.



- Detailed Project Report (DPR) for setting up Aluminium Alloy Wire Rod Plant (WRM-4) at Aluminium Smelter Plant, NALCO, Angul has been submitted.
- NALCO has entrusted your Company for providing Detailed Engineering & Consultancy services for setting up an Aluminium Alloy Wire Rod Plant (WRM-3) at Angul. The project is under execution.



- Your Company is preparing Techno-Economic Feasibility Report (TEFR) for setting-up 10,000 TPA Electrolytic Manganese Di-oxide Plant for MOIL, Chikhla Mines at Bhandara. The report is under preparation.



- M/s Utkarsh Aluminium Dhatu Nigam Ltd. (UADNL), a joint venture company of NALCO & MIDHANI has entrusted the job for Engineering, Procurement & Construction management for establishing Aluminium Alloy Melting, slab

casting and flat rolled products production facility at Nellore, A.P. The job has been awarded in Feb, 2022 and has just started.

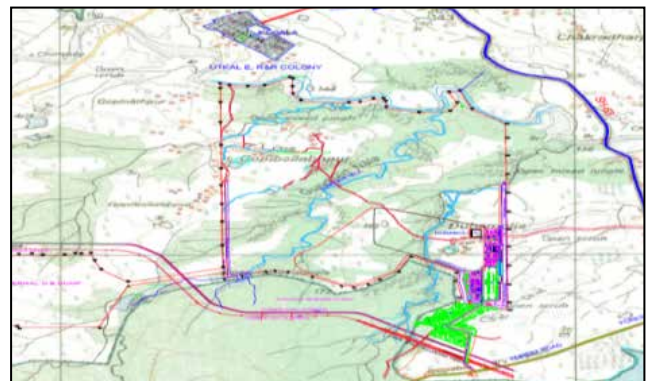
### Mining Sector

- MECON is executing various projects of Uranium Corporation of India Ltd. (UCIL) at Rohil, Garadih, Jajawal, Kannampalle, Tummallapalle, Jaduguda Expansion etc. of UCIL on deposit basis from conceptualization to commissioning i.e. from report preparation, lease grant, construction and commissioning of Uranium projects.

Stage I (FR approval) for Rohil Uranium Project, in Sikar Rajasthan has been obtained from UCIL-BARC-AMD. This Project is of National Importance and will increase the production of Uranium by 40% from existing levels and will a big step in achieving "Atmanirbhar Bharat".



- NALCO has entrusted your Company as a Consultant/Transaction Advisor (TA) for preparation of Detailed Project Report (DPR) and Selection of Mine Developer cum Operator (MDO) for development of Utkal D & E Coal Block. The Coal Mining Agreement was signed between NALCO and MDO on 08.03.2022, wherein all the deliverables were completed by your Company as per schedule.



- SAIL has entrusted your Company for preparation of Mining Plan (MP) including Mine Closure Plan

(MCP) and getting it approved from Ministry of Coal for Jitpur Colliery, Jharia Coalfield, Dhanbad, Jharkhand. Your Company has successfully submitted the Mining Plan (MP) and Mine Closure Plan (MCP).



- SAIL has entrusted your Company for Modification of Mining Plan for Duarguiburu Iron Ore Mining Lease located in Gua, Singhbhum (West), Jharkhand. Indian Bureau of Mines has approved the Modified Mining Plan.



- Hindustan Copper Limited (HCL) has entrusted your Company for preparing Techno-Economic Assessment Report, Tender Documents & Tender Evaluation for underground mine development of Malanjkhanda Copper Project. Final Techno-Economic Assessment Report and Project schedule chart has been submitted to HCL.



- Odisha Mining Corporation (OMC) Limited has entrusted your Company to carryout EIA/

EMP study for Dubna-Sakradihi Iron and Manganese mine with iron ore production of 3 MTPA & Manganese ore production of 0.05 MTPA along with installation of crushing facility and screening unit for processing of iron ore in the mine lease area in Keonjhar district of Odisha. Expert Appraisal Committee of MoEFCC has recommended the proposal for grant of Environmental Clearance.



- Odisha Mining Corporation (OMC) Limited has entrusted your Company for study and preparation of report for restarting the operation of old Chromite Ore Beneficiation plant at South Kaliapani, Sukinda of Jajpur District, Odisha. Final study report has been successfully submitted to OMC to restart the existing Chromite Ore Beneficiation Plant.



**Power Sector**

- NTPC-SAIL Power Co. Ltd. (NSPCL) had entrusted your Company for providing consultancy services for detailed engineering & project monitoring at site for 1x250 MW coal based thermal power plant at Rourkela. The 1X250 MW Thermal Power Plant has been successfully declared to have achieved Commercial Operation Date (COD) on 29.03.2022.
- Damodar Valley Corporation has entrusted your Company for carrying out RLA & Up-rating study, preparation of DPR etc. for Hydel Power Station Unit-1&3 at Maithon. The project is under execution.



- Damodar Valley Corporation has entrusted your Company for carrying out RLA & Up-rating study, preparation of DPR etc. for Hydel Power Station Unit-1 at Panchet. The Job has been completed successfully.
- Your Company has successfully installed 60 kWp Rooftop Solar Power Plant at MECON, Head Office at Ranchi in March 2022. This completes the total planned capacity of 140 kWp solar power installation. Total Energy Generation from the existing capacity shall be about 185000 kWh yearly.
- APGENCO had entrusted your Company for carrying out RLA and Life Extension study of Lower Sileru Hydro Electric Project (LSHEP) and preparation of DPR etc. RLA Testing of all four units has been completed & RLA report has been submitted to APGENCO.



- Your Company has been rendering services as Project Management Agency (PMA) for JBVNL under DDUGJY, IPDS, Saubhagya & Additional Infrastructure Schemes in Jharkhand. All schemes viz. DDUGJY, IPDS, Saubhagya & Additional Infrastructure Schemes have been commissioned and subsequently closure reports have been submitted & approved by Nodal Agency REC and PFC.



- Jharkhand Communication Network Ltd. (JCNL), Ranchi had entrusted your Company for providing PMC Services for Bharatnet Project under Phase-II for 11 Districts of Jharkhand. Your Company has completed PMC services for laying of about 9000 KM of OFC and other infrastructure facilities.

#### Oil & Gas Sector

- Engineering & Consultancy services for modernization of Lube Blending Plant of Indian Oil Corporation Ltd. at Paharpur, Kolkata has been successfully completed and projects commissioned.



- GAIL (India) Limited has appointed your Company for rendering PMC services for 24"x712 km Barauni - Guwahati Pipeline (BGPL) Project. Your Company has proposed crossing methodology by Micro Tunneling method for the first-time for the hydrocarbon pipeline. The project is under execution.



- GAIL (India) Ltd., Vijaipur has appointed your Company for providing PMC services for Construction of Mechanical Workshops, Buildings & Associated works at GAIL Vijaipur (Guna), M.P. The project has been successfully completed and has been handed over to client.



- Your Company is providing EPMC Services to various clients for development of City Gas Distribution Infrastructure in more than 60 Cities.
  - More than 100 CNG Stations Completed
  - More than 1,00,000 Households Connected with Domestic PNG
  - More than 1000 Km Steel & PE Pipeline Network laid
- Varanasi Nagar Nigam Limited had entrusted your Company the assignment for conversion of all Petrol/Diesel Boats to CNG Boats and for setting up of a Floating MS Modular Jetty with CNG dispensing facility at NAMO Ghat on river Ganga at Varanasi. Nearly 360 Diesel/Petrol engine driven boats have been converted to CNG fueled boats and the CNG Station on this floating jetty is dispensing CNG to Boats running on the river.



- Your Company is providing Engineering and Project Management Consultancy services to GAIL Gas Limited for various CGD Projects and construction services to GAIL for their 6 CGD Projects. MECON has assisted clients to complete their steel laying works at various CGDs to the tune of more than 180 km steel line, more than 1500 km MDPE line and more than 40 city stations in the year 2021-22.



- GAIL (India) Limited has entrusted your Company for providing Engineering and Project Management Consultancy services for their most ambitious Jagdishpur - Haldia - Bokaro -Dhamra Pipeline (JHBDPL) project. Under this project your Company is providing EPMC services for Bokaro - Ranchi - Rourkela pipeline also. The line from Bokaro to Ranchi and from Ranchi to Rourkela has been successfully commissioned.



- Preparation of Detailed Feasibility Study for setting up of Green Hydrogen Plants for Indraprastha Gas Ltd. in and around Delhi has been completed.
- Hindustan Petroleum Corporation Limited has entrusted your Company for providing Engineering and Project Management Consultancy services for construction of Hisar New POL depot at Data Village, Hansi Tehsil, Hisar District, Haryana. The POL depot at Hisar has been successfully commissioned.



- Hindustan Petroleum Corporation Ltd. entrusted your Company for providing Engineering and Project Management Consultancy services for setting up of India's biggest Greenfield POL terminal in Dharmapuri District of Tamilnadu. The project is under execution and shall be commissioned shortly.

## Infrastructure Sector

- Mahanadi Coalfield Limited (MCL), Talcher had entrusted your Company for the preparation of Detailed Project Report (DPR) for 01 no. of 4-Lane Composite Girder Bridge and 01 no. of Underpass at Lingaraj OCP, Talcher, MCL, Odisha. The DPR has been successfully submitted and has been approved by the client.
- Building Construction Department, Government of Jharkhand had entrusted your Company the work of Project Management Consultancy (PMC) Services for Construction of New High Court Building Complex at Dhurwa, Ranchi. The assignment has been successfully completed.
- Ministry of Ayush, Govt. of India has entrusted MECON for development of 100 Bedded National Institute of Homeopathy, Narela, Delhi alongwith Research & Academic Block, Residential Units, Hostels etc. on deposit basis. The project is in final stages of completion and shall be fully functional soon.



- Your Company is serving a large number of clients in Public and Private Sectors. Some of the major clients include ADANI, APMDCL, APPGCL, ASHB, BARC, BENGAL ENERGY, BGL, BPCL, BPSCL, CCL, CPCB, DVC, ECL, GAIL, GGL, GGV, GSPL, HAL, HINDALCO, HCL, Heavy Water Board, HPCL, HZL, IDCOL, IGL, Indian Navy, IOCL, IREL, IRSDC, ISRO, JAI BALAJI, JBVNL, JSPL, JSW, KIOCL, KIC METALIKS, KPT, MAHAGENCO, MCL, MHU, Ministry of Ayush, MONNET, MRPL, NALCO, NINL, NLC, NMDC, NPCIL, NSPCL, OHPC, OMC, OMDC, ONGC, OPTCL, OSISL, PPT, RINL/VSP, RRVUNL, SAIL, South West Mining, SMIOR, TANGEDCO, Tata Group, TML, TNGCL, TSLPL, UADNL, UCIL, UGSL, UPRVUNL, Vedanta Group, VPT, Welspun Metaliks, etc.

## 2. INDIAN ASSIGNMENTS

Your Company has procured following major work orders during 2021-22:

### Metals Sector

- Executing Agency for Expansion of Jaduguda Underground Mine Project for **Uranium Corporation of India Ltd.**
- Manpower planning / deployment of balance manpower at NISP for Pre-Commissioning, Commissioning including Hot & Cold Trial Runs with participation of Technology Suppliers, achieving Rated Capacity and subsequent Operation & Maintenance in respect of 3.0 MTPA Integrated Steel Plant at Nagarnar, Chhattisgarh for **NMDC Limited, Hyderabad.**
- Engineering, Procurement and Construction (EPC) services for installation of Coal Handling Plant and Rapid Loading System with Surge Bin Near Kaniha Wharfwall Siding (10 MTY) at Kaniha Area for **Mahanadi Coalfield Limited.**
- Detailed Engineering & Consultancy services for balance engineering of RMHS, Blast Furnace, Sinter Plant, Steel Melt Shop, Lime Calcination Plant & common facilities at Duburi, Odisha for **Jindal Stainless Limited.**
- Engineering, Procurement & Construction Management services for establishing Aluminium Alloy Melting, Slab Casting and Flat Rolled Products Production Facility at Nellore for **Utkarsha Aluminium Dhatu Nigam Limited (UADNL).**
- Engineering, Procurement & Construction Management services on EPMC basis for 300,000 TPA Zinc Smelter at Doswada, Tapi, Gujarat for **Hindustan Zinc Limited, Surat.**
- Detailed Engineering & Consultancy services for Crushing & Screening Plant and Washing, Desliming & Grinding Plants at Nuagaon & Narayanposhi for **JSW, Odisha.**
- Preparation of Bankable Techno Economic Feasibility Report (BTEFR) and Detailed Engineering & Consultancy services for setting up of 0.3 MTPA DI Pipe Plant along with Blast Furnace and Sinter Plant for **Sandur Manganese & Iron Ores Limited.**
- Detailed Engineering & Consultancy services for

Blast Furnace and Sinter Plant at Kurnool, AP for **Jairaj Ispat Limited**.

- Consultancy services for vetting of basic engineering drawings and documents of installation of two Blast Furnaces and its associated facilities for **JSP Odisha Limited**.
- Design Engineering & Consultancy services for Blast Furnace & Sinter Plant at Kharagpur, West Bengal for **Bengal Energy Limited**.
- Supply of one year O&M Spares for Bauxite Storage, Handling & Secondary Crushing Package for 1.0 Mtpa Alumina Refinery at Damanjodi, Odisha for National **Aluminium Co. Ltd., Bhubaneswar**.
- Owner's Engineering Consultancy services for setting up a new facility of Melting & Casting along with VAP's (alloy products) and zinc dust at Sindesar Kalan, Dariba, Rajsamand for **Hindustan Zinc Limited**.
- Design Engineering & Consultancy services for modifications in BF#1 & BF#2 charging system for **JSW Steel Limited, Bellary**.
- Design Engineering & Consultancy services for Modification & Upgradation of Mini Blast Furnace #1 and Auxiliary for **Tata Steel Long Products Limited**.
- Detailed Engineering & Consultancy services for capacity enhancement of existing BF#2 of 255 m<sup>3</sup> WV to 300 m<sup>3</sup> WV for **Jai Balaji Industries Limited**.
- Detailed Engineering & Consultancy Services for Air Separation Unit for **Jindal Steel & Power Limited, Angul**.
- Detailed Engineering & Consultancy services for MBF#2 Complex for **Tata Metaliks Limited**.
- Consultancy services for installation of 1000 TPD Oxygen Plant on Construct Operate and Maintenance (COM) Basis in PPP Mode for **SAIL/Rourkela Steel Plant**.
- Preparation of Techno-economic Assessment Report & Technical Specification and Schedule for the residual work of Malanjkhand Copper Project for **Hindustan Copper Limited**.
- Preparation of EIA/EMP Studies for Environmental Clearance of Pandridalli-Rajhara Pahar Iron Ore Mine for capacity up to 3.50 MTPA (ROM) of BSP-

SAIL located in Balod District Chhattisgarh for **SAIL/Bhilai Steel Plant**.

- Preparation of EIA/EMP studies assessment for change in configuration of the existing 1.26 MTPA Integrated Steel Plant of **Tata Steel Long Products Limited**, Village Gamharia, Saraikela-Kharsawan, Jharkhand.
- Preparation of Detailed Feasibility Report (DFR) for Capacity Augmentation of Lead Smelter from 60 to 80 KTPA at Chanderiya, Rajasthan for **Hindustan Zinc Limited**.

#### Energy Sector

- Project Management Consultancy services for Upcoming Projects for Natural Gas Pipeline in Gujarat for **Gujarat State Petronet Limited**.
- Engineering & Project Management Consultancy services for Bhatinda Sangrur Pipeline Project for **Hindustan Petroleum Corporation Limited, Maharashtra**.
- Engineering & Project Management Consultancy services for Gas Pipeline Shifting in Manesar, Gurugram for **GAIL (India) Limited**.
- Consultancy services for Up-gradation of SCADA & Telecom System of GSPL Gas Grid for **Gujarat State Petronet Limited**.
- Consultancy services for conducting RLA Study of Turbine and associated equipments of One Unit 43 MW for **Rajasthan Rajya Vidyut Utpadan Nigam Ltd**.
- Design Engineering & Project Management Consultancy services for Development & Implementation of CGD Network in Rupnagar, Yamunanagar and Saharanpur for **Bharat Petroleum Corporation Limited, Haryana**.

#### Infrastructure Sector / Other Engineering

- Design, Engineering & Consultancy services for Compressed air, Hydrogen, Nitrogen gas, including soft & potable water network for the new factory expansion at HAPP, Trichy for **Central Public Works Department (CPWD), Trichy**.
- Preparation of detailed design drawing and estimate for 1 no. of 4 lane composite girder bridge and 1 no. of underpass for shifting of coal corridor under Lingaraj OCP of Talcher Coalfields for **Mahanadi Coalfields Limited**.

- Consultancy services for Procurement Assistance, Design & Engineering for Balance Civil & Electrical Work of Flyover-2 on Non Turnkey Package basis for **SAIL/ Bhilai Steel Plant**.

### 3. FUTURE BUSINESS VISION

Your Company is on its way to becoming future ready through scaling up of its operations across the business verticals. Your Company is going to contribute immensely to achieve the national objective of 300 million tones of production capacity by 2030-31 as per National Steel Policy, 2017 to foster faster development of the steel industry to scale global benchmarks.

Your Company also plans to venture into newer areas of business like Green Hydrogen, Refineries, Coal Gasification etc. with strategic partners to meet challenges emerging from changed business scenario.

Your Company strive to nurture a competent workforce to ensure organizational success. With a conducive environment to professional growth, your Company aspires to embrace inclusivity and diversity, allowing varied skills and talent to flourish within organization.

In its endeavor to provide an impetus to its top & bottom lines in the coming years, your Company has developed strategies in the areas of Technology & Services, Business Strategy, Project execution & Human capital required for envisioned growth of the Company.

### 4. MANAGEMENT INITIATIVES

While the year was full of challenges, your Company, with its dedicated manpower and unflinching commitment towards sustainable growth, has maintained its position as India's leading engineering consultancy organization and continues to contribute towards the development of varied sectors including Iron & Steel sector in the country.

Your Company has taken initiatives to align with the industry by strengthening its current offerings, moving up the value chain to become an end to end EPC player and targeting new service offerings. The recent foray into newer area of O&M service of Integrated Steel Plant stands testimony to this Management conviction.

Your Company is proactively driving the "Atmanirbhar Bharat" campaign in Iron & Steel sector and has been successfully executing projects aligned with National priorities like Make in India, Skill India, UDAY, IPDS, DDUGJY, Urja Ganga, Digital India, Ayushman Bharat etc.

To continue as a profitable organization with a greater market share and innovation, Management is strengthening the workforce & domain expertise and implementing ERP solution in the Company as part of digitalization which will enhance productivity and collaborative working culture.

While technology upgradation will be a significant enabler in our business strategy, the key differentiator will continue to be our human resource. Accordingly, your Company has endeavored to make learning and development an ongoing process in the organization.

### 5. BUSINESS DIVERSIFICATION

To thrive in a dynamic environment, your Company is constantly adopting an agile and strategic approach to maximize value creation for customers across business verticals in the form of adoption of newer technologies viz. Coal Gasification, Green Hydrogen etc. and venturing into new business segments like O&M services, Refineries etc.

Your Company is focusing on strengthening its core activities and leveraging its existing capabilities to offer services in diversified sectors. Also, your Company is venturing into newer areas of business with strategic partners to meet varying requirements of clients. Your Company is also pursuing to widen its global outreach through Geographical diversification in International markets.

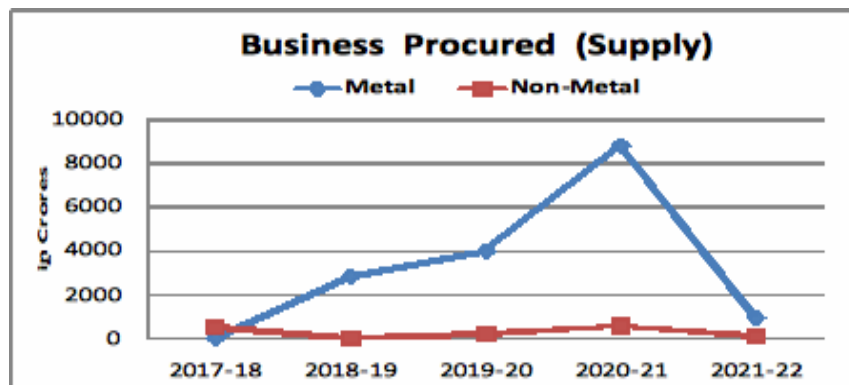
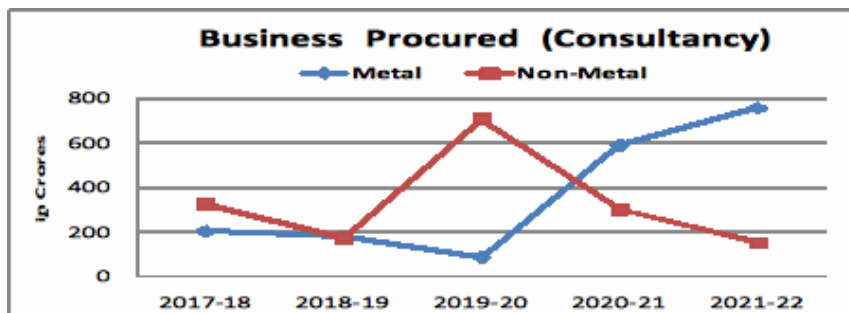
MECON's growing business vertical of Oil & Gas and Infrastructure have become integral business drivers for the Company. Your Company is also focusing on opportunities in Strategic Sectors of Defence & Aerospace.

Business procurement in the area of Engineering Consultancy & PMC services was ₹896.04 Crore\* in previous year and ₹915.69 Crore\* during this financial year. In Supply / Turnkey projects it was ₹9343.25 Crore\* in previous year and ₹1034.42 Crore\* during this year.

### Business Procurement

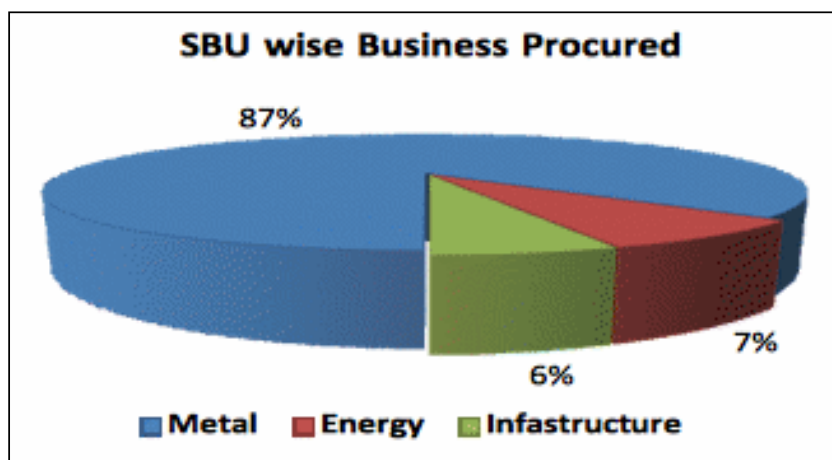
In Rupees Crore (including GST)

	2020-21		2021-22	
	Consultancy	EPC	Consultancy	EPC
Metal	591.14	8,799.64	760.54	930.69
Energy	275.60	-	148.53	-
Infra	29.30	543.61	6.62	103.73
Sub-Total	896.04	9,343.25	915.69	1,034.42
<b>Total</b>		<b>10,239.29</b>		<b>1,950.12</b>



(Note (\*)) : All figures are inclusive of taxes)

During this fiscal year, SBU wise share in business procurement in Metal, Energy & Infrastructure has been of the order of 87%, 7% and 6% respectively.



#### 6. MOU WITH MINISTRY OF STEEL ON PERFORMANCE

Like previous years, your Company has signed a MoU with the Ministry of Steel for the F.Y. 2021-22.

## 7. ISO 9001:2015 CERTIFICATION

Your Company has been awarded ISO 9001:2015 Standard Certified by M/s TÜV NORD CERT GmbH. The scope of Company's certification includes Consultancy, Design & Engineering, Procurement of Plant & Equipment, Inspection, Construction & Project Management Services and Erection of Turnkey Projects. The surveillance audit by TÜV was completed in January, 2022 and Company's Quality Management System

has met the requirements of the Standard and your Company is recommended for continuation of ISO 9001:2015 certification with validity till 29.01.2024. The Certification body identified some potential improvements and highlighted good practices being taken by leadership in the organisation. This year, due to the pandemic, the entire Audit process was carried out on remote mode (online remote Audit).

## 8. FINANCIAL PERFORMANCE

The highlights on financial performance during the financial year 2021-22 vis-à-vis previous financial year is as follows :-

(Rs. In lakhs)

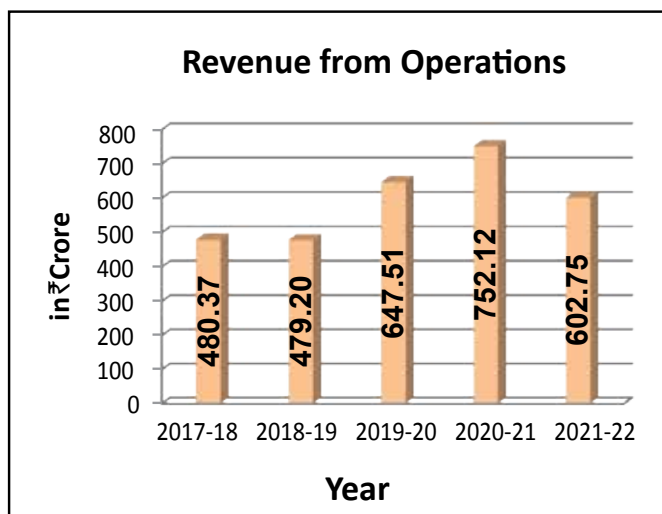
Particulars	FY 2021-22	FY 2020-21
Revenue from Operations	60,275.23	75,212.37
EBITDA	2,795.51	2,671.45
Profit / (Loss) Before Tax	1,953.66	1,910.85
Profit / (Loss) After Tax	1,369.85	624.37
Net Worth	43,175.40	41,805.55

### Details on contracts or arrangements with related party

There were no contracts or arrangements with related party referred under Section 188(1) of the Companies Act, 2013. The relevant disclosure in form AOC-2 is enclosed vide **Annexure- I**.

### Details on Revenue from Operations and Revenue from Operations per Employee

The Revenue from Operations of the Company for the Financial Year 2021-22 is Rs. 60,275.23 Lakh whereas Revenue from Operation per Employee is Rs. 52.92 Lakh. Following graph highlights the revenue from operation vis-à-vis previous financial years.



### Disclosure on fraud reported by Auditor

There were no instance of fraud which were required to be reported by the Auditor under section 143(12) of the Companies Act, 2013.

### Auditors' Report on Financial Statements

The Statutory Auditors' Report on the Financial Statements of the Company for the Financial Year ended 31st March, 2022 is placed with the Financial Statements. The comments of Comptroller & Auditor General of India (C&AG) on the Financial Statements of the Company for the Financial Year ended 31st March, 2022 under Section 143(6) (b) of the Companies Act, 2013 and the Management's replies thereon are also placed with the Financial Statements.

### Particulars of loans, guarantees or investment

Your Company has neither made any investment nor provided any loan or guarantee during the Financial Year 2021-22 which are covered under Section 186 of the Companies Act, 2013

### Transfer to Reserves

An amount of Rs. 1,183.79 Lakh has been transferred towards Reserves during the Financial Year 2021-22.

### Dividend

The Board of Directors of your Company have recommended dividend of Rs. 410.96 Lakhs on the fully paid up equity share capital of Rs. 4013.84 Lakh for the Financial Year 2021-22.

### Cumulative dividend and tax paid to Exchequer

Your Company has paid cumulative dividend of Rs. 10,031.21 Lakh till Financial Year 2021-22. The cumulative income tax to the Exchequer amounting to Rs. 57,404.54 Lakhs has been paid / provided till the Financial Year 2021-22.

### Material changes and commitments affecting financial position of the Company between end of the Financial Year and the date of the Report

Consequent to the disinvestment of shareholding in Neelachal Ispat Nigam Limited (NINL) by the Government of India, your Company has received Rs. 2,541.89 Lakhs in F.Y. 2022-23 as part payment out of total consideration value of Rs. 3,198.32 Lakhs towards the sale proceeds of Company's investment with NINL. The balance amount of Rs. 656.43 Lakhs is receivable subject to settlement of various specified litigations of NINL pending with Governmental Authorities.

### Performance of Joint Venture: NIL

### Details on foreign exchange inflows and outflows

During the year under review, the actual amount of foreign exchange earning of your Company is Rs. 460.39 Lakh whereas Rs. 11.10 Lakh is the actual amount of foreign exchange outgo.

### Details of Deposits

Your Company has not accepted any deposits as specified under Section 73 to 76 of the Companies Act, 2013 during the Financial Year 2021-22 and therefore they do not call for any disclosure as required under Rule 8(5)(v) of Companies (Accounts) Rules, 2014.

### Maintenance of Cost Records

Your Company is not required to maintain cost records as specified under Section 148(1) of the Companies Act, 2013 and accordingly, no Cost Auditor is being appointed in the Company

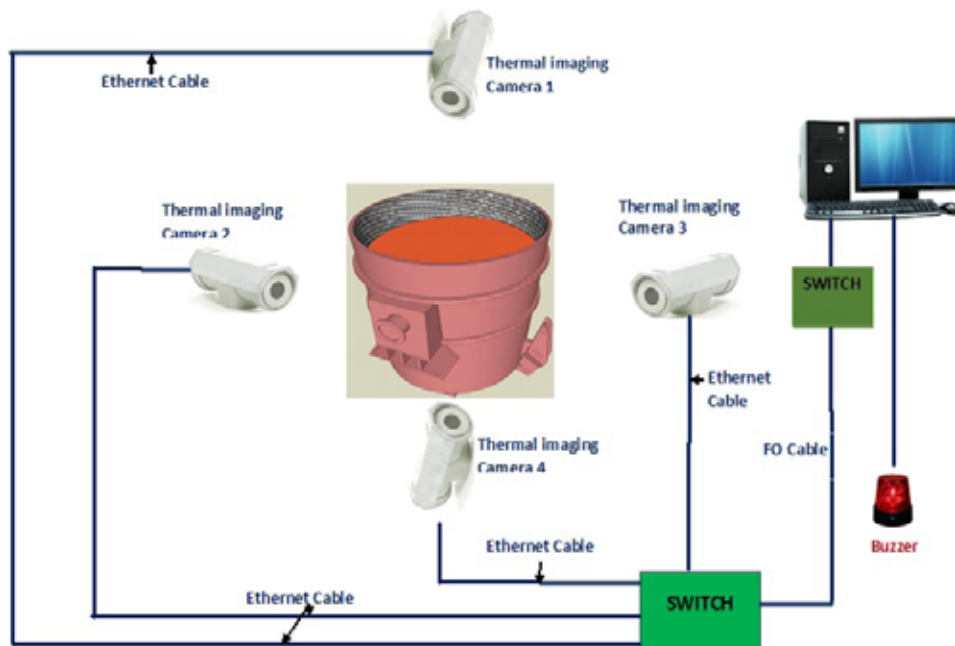
## 9. RESEARCH & DEVELOPMENT

Indian steel industry is growing fast and is currently enjoying the status as the second largest steel producer in the world. It is in this context that the role of R&D activities is of paramount importance in inching towards self-sufficiency in steel production and technically upgrading the existing plants for incremental improvement, both qualitatively and quantitatively through continued research and developmental efforts.

With this in mind, your Company with the intent to initiate commercial services for Torpedo Ladle Condition Monitoring System, has signed an MoU with authorized distributor of imported Infrared Thermal cameras in India with enriching experience in IR based preventive monitoring system.

The system is based on a group of infrared cameras and vision algorithm to achieve detection and generation of alarm for each ladle when ladle shell temperature (outer) crosses predefined limit. Thermal imaging cameras are connected to the process computer through fiber optic link. Video signals and camera control signals from cameras to process computer are transmitted through fiber optic link. The camera control signals consist mainly of camera focus adjustment, temperature monitoring, setting camera parameters etc. The thermal images and temperature data are stored in the Computer for analysis on daily basis and quality control. Whenever there is any increase in temperature profile of outer ladle surface above the user predefined limit, the system will generate an alarm for the user to inspect the wear out zones in refractory and take a suitable decision for carrying out Ladle preventive maintenance. Such a system has the potential to thwart accidents by alarm annunciation. The process is highlighted below.





**IR camera based Ladle condition monitoring system**

It will be a stepping stone for the Company towards achieving self-reliance in the long run in such Hi-tech preventive monitoring system which has business potential across all types of industries including steel industries. The major role of your Company will be as a leader and project coordinator, software developer based on input from IR camera supplier.

#### List of patent applications filed

There are nine patent applications which are under process as per the Patent Act, 1970. Further, during the financial year 2021-22, patent right has been granted in the field of thermoelectrically cooled / heated air circulating system. Your Company has also renewed five patent rights during the financial year 2021-22.

#### Expenditure incurred on R&D activities

During the year under review, your Company incurred Rs. 202.75 Lakh towards R&D activities calculated on the basis of man-hour rate which includes expenditure towards travel and contingencies associated with R&D activities.

#### Recognition of MECON R&D

Renewal of recognition of MECON R&D has been obtained from DSIR, Government of India for three years (upto 31/03/2022). Further, renewal application has been submitted which is under scrutiny by DSIR.

## 10. CONSERVATION OF ENERGY

### Installation of Solar Power Plant at Head Office at Ranchi

Your Company had committed to set up 140 kWp rooftop Solar PV power plant at its Head Office to NITI Aayog through Ministry of Steel. Your Company has fulfilled its commitment by installing the last phase of the solar power plant of 60 kWp in the month of March, 2022. Sequence of installation of 140 kWp Solar Power Plant under four (4) phases are as indicated below:

Description	Installed Capacity (kWp)	Status
Phase I	20	Running successfully since January 2017
Phase II	20	Running Successfully since October 2018
Phase III	40	Running Successfully since February 2020.
Phase IV	60	Running Successfully since March 2022.

#### Steps taken for utilizing alternate sources of Energy during FY 2021-22

In the financial year 2021-22, your Company has completed installation of 140 kWp grid interactive roof top solar power plant with Net metering. It is expected to generate around 185000 kWh of green energy yearly which is expected to save approximately Rs. 12,00,000/- yearly and also have the potential of significant reduction of CO<sup>2</sup> emission.

### Capital Investment, if any on energy conservation equipment

The 60 kWp Solar power plant added in the FY 2021-22 under Phase IV has been installed with a capital investment of Rs 20,90,880/-. Total capital investment of 140kWp grid interactive roof top solar power plant has been Rs 60,86,880/-.

## 11. TECHNOLOGY ABSORPTION

The detailed information on efforts made and benefits derived like product improvements, cost reduction, product development or import substitution from Technology Absorption alongwith technology imported and expenditure incurred on R&D as per Section 134(3) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 is enclosed at Appendix- 1 to this report.

## 12. HUMAN RESOURCE DEVELOPMENT

### Learning & Development

In a knowledge-based organization, Services, Processes and Business Models can be copied, but to have competitive advantage, the organizational competence i.e. the Human Capital needs to be unique in nature. In view of this the management lays emphasis to focus and sustain a competent and highly responsive workforce with adequate domain expertise. Focus is laid on acquiring new skills and sharpening existing ones, which leads to better performance, increased productivity and evolves our employees as better leaders.

Regular Knowledge Management sessions are conducted to effectively disseminate and utilize organizational knowledge. Management always strives to focus towards development of its employees with the objective that they will lead the company through challenging environment and ensure that sustained value creation is achieved. With this objective, various human resource development activities were undertaken in the FY 2021-22. Management has achieved 1004 Man days of training and development (Technology – 141 Mandays, Skill related – 652 Mandays and Soft Skill – 211 Mandays).

Apart from conducting regular trainings on technical, skill related and soft skill, based on Training Need Analysis and Organizational Requirement, focus was laid upon latest Technological Advancements and developing

Leadership Effectiveness. Along with organizing Management Development Program, Knowledge sharing session and Web- based training programs and various employee awareness program such as Preventive Vigilance, Health Awareness Programs, Investment Awareness & Financial Literacy Session, Awareness Program on Prevention of Sexual Harassment (POSH), Awareness program on Disaster Management System, Retirement Wellness Workshop etc., were also organized.

### Industrial Relations

The company focused on employee relationships and all employee related matters were addressed leading to greater satisfaction of the employees. The Company maintained harmonious industrial relations throughout the year. Mandays loss due to internal action was reported as 'NIL' for FY 2021-22 due to the participatory ecosystem prevalent in the company which shows the concerted efforts undertaken by the management as well as the association/ union to work in unison towards organizational objectives. Liasion with other associated external agencies was also maintained cordially and on regular basis.

Information pursuant to the requirement of Sexual Harassment of women at workplace (Prevention, Protection and Redressal Act, 2013)

Your Company has complied with the provisions under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 including constitution of an Internal Complaints Committee (ICC) for dealing with complaints of sexual harassment of women at workplace. The summary of sexual harassment complaint received and disposed off during the year is as follows :-

Number of cases filed	Nil
Number of cases disposed	Nil

## 13. ACTIVITIES / STEPS TAKEN FOR THE WELFARE OF SC/STs IN THE COMPANY

In addition to its corporate and business objectives, the Company is fully aware of its social responsibilities for development and welfare of members of Scheduled Caste / Scheduled Tribe Communities. The strength and number of employees of SC / ST category presently employed in your Company is indicated below:

Cat./Group	Manpower as on 31.03.2022	SC		ST		PWD	
		No.	%	No	%	No.	%
A	1016	223	21.9%	57	5.6%	5	0.5%
B	30	2	6.7%	11	36.7%	Nil	0%
C	82	15	18.3%	40	48.8%	5	6.1%
<b>Total</b>	<b>1128</b>	<b>240</b>	<b>21.2%</b>	<b>108</b>	<b>9.6%</b>	<b>10</b>	<b>0.9%</b>

The Company has adopted adequate measures for safeguarding their interests and welfare, such as promotion as per general trend, regard for human rights, equality and impartiality in all spheres of activities and providing abundant opportunities for self-development through sports, cultural, educational and recreational facilities. Employees belonging to Scheduled Caste / Scheduled Tribe category and their families residing in Shyamali Township enjoy all the facilities as available to others. In order to implement the Government of India Directives and Post-based Rosters with regard to recruitment and promotion of SCs/STs, SC/ST Cell has been formed with Sr. General Manager (HR) as Liaison Officer. The SC/ST Cell maintains proper record regarding recruitment and promotion and statistics of SC/ST employees and furnishes reports to the Ministry of Steel on regular basis. The Company has made consistent efforts to accommodate SC/ST candidates in all recruitments in MECON as well as in promotion to the next higher grade as per Government Directive.

All possible steps are taken to fill up the post in reserved category as per Government Directives issued from time to time.

#### 14. CORPORATE SOCIAL RESPONSIBILITY (CSR)

As provided under Section 135 read with Schedule – VII to the Companies Act, 2013, your Company has carried out CSR activities, mainly focused on Nutrition, Healthcare, Education, Skill development & Livelihood etc.

The total CSR expenditure on the above Projects/ Activities during FY 2021-22 was Rs. 149.84 Lakh; out of which Rs. 35.29 Lakh (Rs. 20.75 Lakh for Projects + Rs. 14.54 Lakh transferred to PM CARES Fund) was spent from Unspent (carry-over) amount of Rs. 181.54 Lakh for the projects prior to FY 2020-21; Rs. 71.26 Lakh (Rs. 37.80 Lakh for Projects + Rs. 33.46 Lakh transferred to PM

CARES Fund) was spent from Unspent (carry-over) amount of Rs. 84.28 Lakh of FY 2020-21; and Rs. 43.29 Lakh was spent from the allocated fund of Rs. 77.38 Lakh for FY 2021-22.

The details of Projects/ Activities carried out with respect to the Unspent (carry-over) Fund of FY2019-20 are enclosed at **Annexure-I of Appendix-2** and the details with respect to Fund allocated for FY 2021-22 and Unspent (carry-over) amount of FY 2020-21 are furnished at **Annexure-II of Appendix-2**.

#### 15. OFFICIAL LANGUAGE POLICY (USE OF RAJBHASHA)

Your Company is effectively implementing the Official Language Policy of the Government of India in its official work. It is also making all out efforts to achieve the targets fixed in the Annual Programme issued by Rajbhasha Vibhag, Ministry of Home Affairs, Government of India. For this purpose, there is an Official Language Implementation Committee under the Chairmanship of the Chairman and Managing Director. Hindi workshops are being organised regularly for the employees. Your Company is an important member of the Town Official Language Implementation Committee, Ranchi and actively participates in all the programmes.

During the year 2021-22, your Company has been awarded “Ispat Rajbhasha Prerna Puraskar” for the year 2019-20 as well as ‘Rajbhasha Nayak’ award for the year 2019-20 for the best performance in the field of Official Language.

The Rajbhasha Vibhag has inspected Hindi implementation work in 12 departments of the Company located at Ranchi as well as in Delhi Office. Thereafter, usage of Hindi in site offices located at Durgapur, Burnpur and Rourkela were also inspected online by the Deputy Director (Rajbhasha), Government of India, Ministry of Steel.

The Drafting and Evidence Sub-Committee of the Committee of Parliamentary on Official Language also inspected the Delhi office. Thereafter, on 25.03.2022, the usage of Hindi in Delhi office was also inspected by the Deputy Director (Rajbhasha), Government of India, Ministry of Steel.

Following are the events that have been organised during the financial year 2021-22 apart from periodical discussion by the Official Language Implementation Committee on progress of official language in the Company.

- Four quarterly Hindi workshops were organised in the Company as well as Hindi Diwas and Hindi fortnight were celebrated at Delhi and Bangaluru office of the Company.
- On 25.08.2021, quiz competition was organized at Ranchi in Hindi on the occasion of “Azadi Ka Amrit Mahotsav” to commemorate the 75th anniversary of Independence Day. Other Site Offices also organized programmes on this occasion.
- “Hindi Pakhwara” was observed in the Company at Head Office as well as in all the site offices from 14.09.2021 to 28.09.2021. On this occasion, employees took pledge to increase use of Hindi in their day to day official work. Various competitions were also organised in the Company.
- A Hindi in-house magazine ‘Mecon Bharati’ and ‘Mecon Darpan’ were published in the Company. These magazines provides platform for employees and their family members for creative writing in technical & social fields in Hindi.
- Events like Hindi essay writing, extempore speech and poetry recitation competition were organised time and again in the Company for effective use of Hindi.
- During the year under review, your Company attended the following events.
  - Joint Official Language Conference of East and Northeast Regions organized by the Department of Official Language, Ministry of Home Affairs at Dibrugarh, Assam.
  - The 172<sup>nd</sup> and 173<sup>rd</sup> Official Language Implementation Committee Meeting.
  - 37th All India Official Language Conference and Training Camp organized by the Center

for Indian Language and Culture at Bhimtal, Nainital.

- ‘Hindi Salahkar Samiti’ Meeting at Madurai on 03.03.2022.

## 16. VIGILANCE ACTIVITIES

The Vigilance set up of the Company is functioning under Shri Upkar Kumar Kedia, ITS, CVO, MECON (Full Time) who took charge on 30.10.2017. CVO of the Company provides a link between the organization and the Administrative Ministry, CVC and CBI and also acts as a special assistant/ advisor to CMD and reports directly to him in all matters pertaining to vigilance.

Efforts are on to continuously enhance transparency in various business activities of the company with use of computerization and leveraging of technology. Emphasis is laid on preventive vigilance, spreading awareness, surveillance and analysis of systems & procedures in detail to ensure optimum utilization of resources, appropriate & timely decisions, corrective action against defaulters and transparency & accountability in the system. In this direction relevant circulars and guidelines from CVC and statutory authorities, as and when issued, are put in the in-house intranet ‘meconinfo’ for wider circulation among the employees. Vigilance articles are also published in the in-house publications whenever possible.

Complaints, as and when received, are investigated promptly by Vigilance Department after checking their veracity wherever needed. Sensitive sections / areas in the organization have been identified and thrust is laid on conducting surprise & regular inspections, scrutiny of files & studies in these areas including CTE type inspection and suitable suggestions including job rotation are given for improvement in the system to eliminate discrepancies found, if any. A number of suggestions given by Vigilance Department for systemic improvement and streamlining various procedures have been implemented and the process is continuing.

Online Vigilance Clearance System for the purpose of vigilance clearance / status of employees in case of promotion, resignation, retirement etc. exists and Vigilance Department maintains a

computerized database. Submission of Annual Property Returns has been made online in the Company and APRs for the year 2021 have been submitted by the employees and its database is maintained and is continuously scrutinized and monitored.

Integrity Pact (IP) is functional in your Company since 2007 under an Independent External Monitor who is responsible for overseeing the process of procurement and transactions where Integrity Pacts are signed between your Company and counterparties. Your Company enters into Integrity Pact with vendors/ suppliers/ contractors for orders of Rs.1.0 Crore & above for EPC Projects and for orders of Rs.25.0 lakhs & above for Town Administration and In-house Procurement. The draft IP forms part of tender documents, wherever applicable. Till March 2022, your Company has signed Integrity Pact (IP) with 299 suppliers/contractors.

Vigilance Awareness Week-2021 was observed in your Company from 26.10.2021 to 01.11.2021 in which the employees participated with enthusiasm. The theme for observing Vigilance Awareness Week 2021 was “स्वतंत्र भारत @ 75: सत्यनिष्ठा से आत्मनिर्भरता” (Independent India @ 75: Self Reliance with Integrity). Due to extraordinary situation of the Corona pandemic, various awareness programmes were conducted online.

Banners and posters propagating message on Vigilance Awareness, Anti-corruption, etc. were displayed at various prominent places and activities like Presentations, Talks and Panel Discussions have held. Competitions such as Essay, Slogan, Painting and Quiz competitions involving MECON employees and their wards (spouse and children) were also organized through online mode for sensitizing employees & participants against corruption. Essay and Slogan competitions were organized in Hindi and English languages. During this week, banners including PIDPI posters were displayed at prime locations in the offices of the Company.

For dissemination of anti-corruption messages and stressing need for vigilant India as part of outreach activities, Bulk Push SMS service of BSNL was utilized during Vigilance Awareness Week.

Text of SMS was “On 75th year of Independence, MECON LIMITED observes Vigilance Awareness Week from 26.10.21 to 01.11.21. Pl. take Online Pledge on <https://pledge.cvc.nic.in>”.

Complaint Handling Policy has been uploaded on Company’s website with a provision of lodging complaint online which is accessible to common individuals. Contact Details of CVO and Senior Officials of Vigilance Department, Organizational Structure of Department, Vigilance Quality Policy of the Company, ISO Certificate of Vigilance Department, Handbook of CVC Circulars & Guidelines, Resolution on Public Interest Disclosures & Protection of Informer (PIDPI), Integrity Pact have been uploaded in the Vigilance tab available on the Company’s Website. Whistle Blower Policy and Fraud Prevention Policy have been uploaded on Company’s Website [www.meconlimited.co.in](http://www.meconlimited.co.in).

Your Company is pleased to share with you that online Bill Watch System has been combined with MECON’s GST system, MecGST to enable display of status of payments of vendor’s/ supplier’s bills/ invoices more effectively and also ensuring compliance with instructions from CVC on monitoring & timely release of payments to vendors/suppliers/contractors.

Your Company is pleased to inform you that Vigilance Department follows a well-established Quality Management System (ISO 9001:2008) which has been certified by M/s TUV India Pvt. Ltd. (a subsidiary of TUV NORD CERT GmbH, Germany) and the department is in the advance stages for meeting the requirements to get upgraded to ISO 9001:2015 certification.

**Details of Vigilance cases pending/ disposed off during 2021-22 and its nature :-**

No. of cases pending as on 31.03.2021	09
No. of cases received during 2021-22	14
No. of cases disposed off during 2021-22	15
No. of cases pending as on 31.03.2022	08

The pending cases include inter-alia procedural violation, submission of fake financial instrument, on policies of the company, received from different sources viz. PIDPI complaints (CVC), other complaints from CVC, complaints from vigilance units of other CPSEs / Private parties etc.

## 17. DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT

Your Company has in place a Risk Management Policy with the objective of managing the potential risks and reducing the risk exposure in the long run by continual identification, assessment/monitoring and management of risks associated with its overall business processes and operations.

Your Company's risk management framework encompasses all areas of operation including technical, marketing, contracts, financial and human resources. Management is accountable to the Board for effective implementation of risk management strategies in all relevant areas of company operations. For this purpose, periodic reviews are held both at the operational levels and at the corporate level to identify and prepare action plans to address any new risk or harness new opportunities that have arisen or likely to emerge and also to prevent / eliminate the instances of non-compliance with laws & regulations.

Your Company's risk management and control systems provide a reasonable assurance towards the realization of strategic objectives of the organization. During the year under review, there was no such major potential risk which could have threatened the existence of the Company. However, due to the protracted COVID-19 pandemic lockdowns and other geo-political issues, there has been an unprecedented rise in prices of fuel/ commodities which is affecting execution of ongoing projects. The management is reviewing the project-wise situation on a regular basis to ensure smooth execution.

In view of the ever increasing complexities of business models and market dynamics, your Company is in the process of upgrading the Risk Management framework.

## 18. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the year, your Company did not receive any Order or Direction of any Hon'ble Court or Tribunal or Regulator, which either affects the status of the Company as a going concern or which substantially or significantly affects your Company's business operations.

## 19. PROCEEDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

There is no application or pending proceeding against your Company under the provisions of Insolvency and Bankruptcy Code, 2016.

## 20. RIGHT TO INFORMATION

In line with the directives of the Government of India, your Company has implemented the Right to Information Act, 2005 from the date of its implementation. A Central Public Information Officer (CPIO) has been nominated by the Management at its Headquarters and various Assistant Public Information Officers (APIOs) have been nominated at Head Office as well as at various Regional and Site offices of the Company. The queries coming to the Company from the public are being attended to by these nominated officials and replied back to the applicant by the Public Information Officer within the stipulated time period. A First Appellate Authority (FAA) has also been nominated at the Head Office to dispose off the first appeals filed under the Act. A Transparency Officer has also been appointed in accordance with the RTI Act to ensure smooth and effective implementation of the RTI Act.

As a measure to facilitate citizens in filing their RTI applications and first appeals online, MECON has adopted the Online RTI web portal (<https://rtionline.gov.in>) launched by Department of Personnel and Training. Consequently, most of the RTI applications and RTI appeals are being filed on this online portal and are being replied through the online mode. Suo-mot disclosure as per Section 4(1)(b) of the RTI Act have been made available on the website of MECON ([www.meconlimited.co.in](http://www.meconlimited.co.in)). Name, designation and address of the CPIO, APIO (Head Office) and First Appellate Authority have been provided on the website of MECON along with the procedure to file the RTI application.

Quarterly RTI returns for all the four quarters are being submitted to the Central Information Commission on their website.

## 21. AWARDS AND ACCOLADES

- During the 25th International Conference on Non-Ferrous Metals held on 03.09.2021, Shri A.K. Agrawal, Director (Technical) of your Company

has been felicitated with ‘**Technological Excellence Award**’ for his exemplary leadership in realising Ferrous & Non Ferrous projects of National importance.

- During 36th Indian Engineering Congress, your Company received award in the category of ‘**Engineering Services & Consultancy**’ for demonstrating high order of business excellence.
- Your Company received award for “**Ispat Rajbhasha Karyanvayan Samman**” (2019-20) from Hon’ble Steel Minister and Hon’ble Minister of State for Steel during Hindi Consultative Committee Meeting for excellent work done towards progressive use of Hindi.

## 22. CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP) (UPTO THE DATE OF AGM)

Shri Salil Kumar, Director (Projects) of the Company was appointed as CMD (Additional Charge) due to resignation of Shri Atul Bhatt; who has been appointed as CMD of RINL. Shri Kumar assumed the charge of the post of CMD w.e.f. 13.09.2021

Ms Sukriti Likhi, IAS, was appointed as the Government Director of the Company w.e.f. 23.04.2021.

Shri Shashank Priya, who was Financial Advisor of the Ministry of Steel, was appointed as the Government Director on 17.12.2020, ceased to be the director of the Company w.e.f. 23.04.2021.

Shri Deepak Krishan who was appointed as the Independent Director on 14.12.2018, ceased to be the director of the Company w.e.f. 13.12.2021.

Shri Sudipta Guha who was appointed as the Independent Director on 01.11.2021, resigned from the Board w.e.f. 03.12.2021.

Smt. Rasika Chaube who was appointed as Government Director on 17.03.2020, ceased to be the director of the Company w.e.f. 30.06.2022.

Shri Ravi Bambha, Company Secretary superannuated from the services of the Company on 31.07.2022.

Shri Sudesh Kumar Rathi has been appointed as the Company Secretary of the Company w.e.f. 21.09.2022.

## 23. PARTICULARS OF EMPLOYEES & RELATED DISCLOSURES

The provisions of Section 134(3)(e) of the Companies Act, 2013 are not applicable to a Government Company. Consequently, details on Company’s policy on Directors’ appointment and other matters prescribed under Section 178(3) of the Companies Act, 2013 are not provided.

Similarly, by virtue of Ministry of Corporate Affairs Notification dated 05.06.2015, Government Companies are exempted from complying with the requirement of Section 197 of the Companies Act, 2013. Hence, the rules made thereunder i.e. Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is also not applicable to Government Companies.

MECON being a Government Company, its Directors are appointed / nominated by the Government of India as per the Government / DPE Guidelines, which also include fixation of pay criteria, determining of qualifications and other matters.

## 24. DECLARATION OF INDEPENDENCE

In terms of Section 149(7) of the Companies Act, 2013, necessary declaration have been given by Part-time Independent Directors stating that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

## 25. MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion & Analysis Report (MDAR) covering the performance and outlook of your Company is enclosed vide **Appendix- 3**.

MDAR is a forward looking statement and is based on certain assumptions and expectation of future events. The Directors cannot guarantee that these assumptions are accurate or these expectations will materialize.

## 26. CORPORATE GOVERNANCE

The Corporate Governance Report is submitted along with Certificate on Compliance of conditions of Corporate Governance, duly certified by the Statutory Auditors in terms of the DPE Corporate Governance Guidelines is annexed as **Annexure- 4**.

## 27. ANNUAL RETURN

Pursuant to Section 134 and Section 92(3) of the Companies Act, 2013 read with Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, the annual return as on 31.03.2021 is available on the website of the Company at the link

<http://www.meconlimited.co.in/Writereaddata/Downloads/AnnualReturnFor2021-2022.pdf>

## 28. AUDITORS

M/s. Anjali Jain & Associates, Chartered Accountants, was appointed as the Statutory Auditors for the financial year 2021-22 by the Comptroller & Auditor General of India (C&AG) under the provisions of Section 139(5) of the Companies Act, 2013. They shall hold office till conclusion of the ensuing Annual General Meeting of the Company.

## 29. DIRECTOR'S RESPONSIBILITY STATEMENT (DRS)

Pursuant to the requirement under Section 134 (5) of the Companies Act, 2013 with respect to Director's Responsibility Statement, it is hereby confirmed that:

- i) In the preparation of the annual accounts for the financial year ended 31st March, 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) The Directors had selected such accounting policies and applied them consistently and made judgments and 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 or loss of the Company for that period;
- iii) The Directors had taken proper and sufficient care for 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;

- iv) The Directors had prepared the annual accounts for the financial year 2021-22, on a going concern basis; and
- v) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

## 30. ACKNOWLEDGEMENTS

The Directors commend the indefatigable efforts of the employees at all levels which has contributed immensely to the growth of the Company this year inspite of Covid pandemic. Their dedication and commitment will stand the organisation in good stead to meet the challenges in future.

MECON has also enjoyed unstinting support and guidance from all the Ministries of the Government of India, particularly the Ministry of Steel, State Governments etc. All the stakeholders, especially the suppliers, customers and business partners, have extended tremendous support towards the success of the Organisation.

The Directors assure of their unwavering focus on the strategic plans of your Company to steer it responsibly to stellar heights.

For and on behalf of the  
Board of Directors of  
MECON Limited

Sd/-  
Salil Kumar  
CMD (Additional Charge) &  
Director (Projects)

Place: Ranchi  
Date:14.10.2022



## FORM AOC- 2

(Pursuant to Clause (h) of sub section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

Details of contracts or arrangements or transactions not at arm's length basis

Name(s) of the related party	Nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts / arrangements or transactions including the value.	Justifications for entering into such contacts or arrangements or transactions	Date(s) of approval of the Board	Amount paid as advance	Date on which the special resolution was passed in the general meeting
NIL	NA	NA	NA	NA	NA	NA	NA	NA

Details of materials contacts or arrangements or transactions at arm's length basis

Name(s) of the related party	Nature of relationship	Nature of contracts / arrangements / transactions	Durations of contracts / arrangements / transactions	Salient terms of contracts or arrangements or transactions including the value	Date(s) of approval of the Board	Amount paid as advance
NIL	NIL	NA	NA	NA	NA	NA

Sd/-

Salil Kumar  
CMD (Addl. Charge) & Director (Projects)

## TECHNOLOGY ABSORPTION

Efforts made and benefits derived like product improvement, cost reduction, product development or import substitution

### I. Indigenously developed Technology

Sl. No.	Efforts made towards technology absorption	Benefits derived like product improvement, cost reduction, product development
1.	Development of Torpedo Ladle Car monitoring system using Infrared Imaging	<ul style="list-style-type: none"> <li>i. Increasing safety and average life of torpedo ladle.</li> <li>ii. Early detection of affected areas and prevention of torpedo ladle breakout.</li> <li>iii. Reduction of production cost by increasing service life of Torpedo refractory.</li> <li>iv. Advanced data management and analysis with the help of database of torpedo ladle.</li> <li>v. Continuous 24x7 operations.</li> <li>vi. Optimized refractory maintenance.</li> <li>vii. Minimum interference with the existing plant operation regime.</li> <li>viii. Zone wise recording of temperature.</li> <li>ix. Maintains database of records for future evaluation .</li> <li>x. Totally non-contact operation.</li> <li>xi. Very low maintenance cost.</li> </ul>

### II. Imported Technology:

During the year under review, there were no imported technology and accordingly no information is provided.

# CORPORATE SOCIAL RESPONSIBILITY

## BOARD'S REPORT FOR FINANCIAL YEAR COMMENCED PRIOR TO 1<sup>ST</sup> DAY OF APRIL, 2020

### 1. a) Brief Outline of CSR Policy of MECON Limited

- The CSR & Sustainability policy of your Company is in accordance with the provisions of the Companies Act, 2013 and DPE guidelines and is approved by the Board based on the recommendation of the CSR & Sustainability Committee. The Board approved CSR & Sustainability Policy of the Company is available at : [www.meconlimited.co.in/Writereaddata/Downloads/CSR\\_Policy\\_2014.pdf](http://www.meconlimited.co.in/Writereaddata/Downloads/CSR_Policy_2014.pdf)
- Your Company has two-tier organizational structure to steer the CSR agenda. The Board Level CSR & Sustainability Committee comprising of two Part Time Independent Directors, one as Chairperson & other as Member and one functional Director as Member and a team of cross-section of employees, headed by a Nodal Officer constitutes the two-tier organization structure.
- The annual budget for CSR and Sustainability is approved by Board of Directors.
- The CSR plans are formulated and approved by CSR & Sustainability Committee and ratified by Board of Directors as per the provision of Companies Act, 2013 and DPE guidelines.
- Your Company spends in each financial year, at least 2% of the average net profits made during the three immediately preceding financial years. Any unspent/unutilized fund of a particular year, is carried forwarded to the following year.
- The overall responsibility of CSR plans lies with the Nodal Officer, CSR & Sustainability.
- The CSR & Sustainability activities of your Company are as per Schedule-VII to the Companies Act, 2013, with special attention to the development of weaker/marginalized/under privileged sections of the society including SC/ST/OBC/Minorities, women and children, old and aged, physically challenged etc.
- All the CSR activities are implemented in project mode.
- Your Company having expertise in Engineering and Project Management, all the CSR projects are monitored by the Company itself.
- The implementation and monitoring of CSR activities are overseen by the CSR & Sustainability Committee.
- As per Board's approved CSR & Sustainability policy, Impact Assessment for all completed CSR projects/ activities up to project cost of ₹50.0 lakh are carried out by the Company. However, where project cost exceeds of ₹50 lakh, the Impact Assessment is carried out by external agency.
- Your Company reports/discloses CSR activities to stakeholders through its official website: [www.meconlimited.co.in/csr.aspx](http://www.meconlimited.co.in/csr.aspx) and its Annual Report at: [www.meconlimited.co.in/Annual\\_Report.aspx](http://www.meconlimited.co.in/Annual_Report.aspx).

### b) The overview of CSR Projects/Activities undertaken by your Company during the year are as follows:

- i) Nutrition
- ii) Healthcare
- iii) Education
- iv) Skill Development & Livelihood
- v) Other activities/ Miscellaneous Programs

- c) Web-link to the CSR policy and projects or programs : <http://www.meconlimited.co.in/csr.aspx>

## 2. The Composition of the CSR Committee

The reconstituted CSR Committee which was in place as on 31.03.2022,

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Smt. Manju Chandra	Part Time Independent Director – MECON & Chairperson	02	02
2	Shri Rajendra Harbhagwan Singh Juneja	Director (Finance) – MECON		02
3	Shri Sanjay Kumar Verma	Director (Commercial) – MECON		01

3. Average Net Profit for the Company for last 3 (three) financial years : Not applicable in case of the Board's Report Prior to 01.04.2020
4. Prescribed CSR Expenditure :
- a) 2% of the amount as in item 3 above : Not applicable
- b) Unspent (Carry-over) Fund : ₹ 181.54 Lakh
5. Details of CSR fund spent during the Financial Year 2021-22, are indicated in **Appendix-I**. Manner in which the amount spent are as given below:
- (a) Total Unspent (Carry-over) amount available for FY 2021-22 : ₹ 181.54 Lakh
- (b) Total amount spent on CSR activities during the financial year 2021-22 : ₹ 35.29 Lakh  
(including amount transferred to PM CARES Fund)
- (c) Amount unspent {to be carried to next financial year (i.e. FY 2022-23)} : ₹ 146.25 Lakh

## 6. Reasons for not spending the amount :

- 6.1 The majority of CSR projects / activities are infrastructure development projects which take time in conceiving the project, carrying out basic design & detailed engineering, tendering, and then construction, etc.
- 6.2 The following projects as listed below could not be completed in FY 2021-22 due to the reasons as indicated:
- i) Cataract surgery for poor/down-trodden/needy villagers of Adopted villages/other villages/under-developed/slum areas etc. of Ranchi & Khunti districts of Jharkhand. [Project of FY 2019-20].  
Due to COVID-19 pandemic, the project could not be taken-up.
- ii) Construction of Toilet Blocks / Repair of dis-functional Toilets in MHRD schools in Jharkhand (under Swachh Vidyalaya Abhiyan)  
Project is complete. However, the provisioned amount is yet to be processed, as Performance Certificate is awaited from Contractor.
- iii) Solar powered Drinking water system in Adopted Village-Sungi, Block-Karra, Dist.-Khunti [Work order placed in FY 2019-20]:  
Bill under scrutiny for consideration for release of payment corresponding to failed boring work.

- iv) Solar powered Drinking water system in Adopted Village-Rai, Block-Khunti, Dist.-Khunti [Work order placed in FY 2019-20]:

Bill is under processing.

- v) Solar powered Drinking water system in Adopted Village-Rupru, Block-Angara, Dist.-Ranchi [Project of FY 2019-20]:

Bill under scrutiny for consideration for release of payment corresponding to failed boring work.

- vi) Renovation of Roof & False Ceiling alongwith Illumination facilities etc. of Dinning Hall-cum-Candle Making Section of Cheshire Homes India, Ranchi (A Home for Physically challenged Persons - Divyangs) [Project of FY 2019-20].

Work under progress.

- vii) Renovation of Printing Section Building of Cheshire Homes India, Ranchi (A Home for Physically challenged Persons - Divyangs) [Project of FY 2019-20].

Work under progress.

- viii) Construction of Boys Hostel Building in Orphanage at Village-Sungi, Khunti [Project of FY 2018-19]:

Hostel Building complete. Bill is awaited from the Contractor.

- ix) Construction of Borewell at Old Age Home, Nagri, Ranchi [Work order amended in Jan.'2022]:

Work complete. Bill is under processing.

- x) Construction of Community Centre in U.P. [Project of FY 2013-14]:

Regular reminders were sent to M/s. HSCL to submit their bills in line with GST, but they are yet to submit the same.

- xi) All the projects mentioned below are complete and handed over to the Beneficiaries. The final bills of same have been processed and payment released during FY 2019-20. However, the LD (Liquidated Damages) amount has been withheld.

a) Construction of Toilet Block in Village School of Adopted Village-Pancha [Project of FY 2012-13]

b) Construction of Toilet Complex in Adopted Village-Pancha [Project of FY 2012-13]

c) Construction of Toilet Block for Girls in Orphanage of Adopted Village-Sungi [Project of FY 2013-14]

d) Construction of Toilet Block for Boys in Orphanage of Adopted Village-Sungi [Project of FY 2014-15]

- xii) Construction of Toilet Complex in Adopted Village-Parsa Toli, Pancha [Project of FY 2012-13]

Work under progress. Bill is under processing.

- xiii) Construction of Toilet Complex in adopted Village - Bar Toli, Pancha, Block-Bundu, Dist-Ranchi [Work order placed in FY 2019-20]

The documents required for processing of Bill is awaited from the Contractor.

- 7.0 It is also affirmed that all the applicable clauses of Rules / Guidelines issued by MCA & DPE are being complied with.

Shri Sanjay Kumar Verma  
Director (Commercial)

Smt. Manju Chandra  
Chairperson (CSR Committee)

## Manner (Details of the Project) in which the amount spent during the financial year 2021-22

(Period 1<sup>st</sup> April' 2021 – 31<sup>st</sup> March'2022)

For the Projects Prior to 1<sup>st</sup> Day of April, 2020

From the Unspent (Carry-over) Fund of Rs. 181.54 Lakhs available in FY 2021-22

(As on: 31.03.2022)

(Amount in Rs.)

1	2	3	4	5	6	7	8	Status of the Project
Sl. No.	CSR Projects or activity identified	Sector in which the Project is covered	Projects or Programmes 1. Local area or Others 2. Specify the state and district (where projects or programmes were undertaken)	Amount outlay (Budget) Project or Programme wise	Amount spent on the projects or programmes for FY 2021-22 Sub-heads : 1. Direct expenditure on projects or programmes 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency	
<b>1.</b>	<b>Healthcare</b>							
i)	Health camps in Mobile Ambulance Van with a team of doctors, paramedical staff etc. alongwith medicines for free health check-up, wherein medicines were given to the poor & needy patients	Healthcare	Adopted Villages of Ranchi & Khunti districts of Jharkhand	2,43,328	22,886	56,672 (In FY 20-21)+ 22,886 (in FY 21-22) <b>= 79,558</b>	Direct	1. Regular On-going Project. Financial progress – 100% 2. Bill Payment with respect to procurement of Medicines.- for Adopted Villages of Ranchi & Khunti districts of Jharkhand 3. Balance Fund of <b>Rs.2,20,442/-</b> transferred to "PM CARES Fund" on <b>30.09.2021</b> .
ii)	Cataract surgery for poor/down-trodden/needly villager of Adopted village / other villages/ under-developed/ slum areas etc. of Khunti district of Jharkhand (Project Cost : Rs. 1,00,000/-) (Approved Project of FY 2019-20)	Healthcare	Village – Sungi, Block – Karra, District – Khunti, Jharkhand	85,896	--	12,895 (in FY 19-20)+ 1,210 (in FY 20-21) <b>= 14,105</b>	Direct	a) Physical Progress 33% b) Financial progress 14% c) Out of 3 patients identified, only one (1) Patient was operated in Feb.'2020. Other two (2) Patients were planned to be carried out in FY 2020-21, but due to COVID-19 Pandemic, the Doctors suggested to keep on hold till the Pandemic subsides. d) <b>The same has been planned to be carried out in FY 2022-23.</b>
			<b>Sub-Total (1)</b>	<b>3,29,224</b>	<b>22,886</b>	<b>93,663</b>		

1	2	3	4	5	6	7	8	Status of the Project
Sl. No.	CSR Projects or activity identified	Sector in which the Project is covered	Projects or Programmes 1. Local area or Others 2. Specify the state and district (where projects or programmes were undertaken)	Amount outlay (Budget) Project or Programme wise	Amount spent on the projects or programmes for FY 2021-22 Sub-heads : 1. Direct expenditure on projects or programmes 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency	
<b>2.</b>	<b>Sanitation (Swachh Vidyalaya - Swachh Bharat Abhiyan in MHRD Schools)</b>							
i)	Construction of Toilets in MHRD Schools of Jharkhand (under Swachh Vidyalaya Abhiyan)  [Project Cost : (Toilets):Rs. 57,33,000/-] (Carry-over project of FY 2015-16)	Infrastructure Development Programme - Sanitation	10 nos. in Ranchi & Deoghar districts of Jharkhand	96,620	--	1,80,040 (in FY 14-15) + 46,22,850 (in FY 15-16)+ 8,33,490 (in FY 16-17) = <b>56,36,380</b>	Direct	1. Work complete a) Physical progress – 100% b) Financial progress – 98.31% c) Performance Certificate awaited from Contractor.
ii)	Annual Maintenance of 22 nos. Bio-Toilets/ installed in MHRD Schools of Hazaribagh & Lohardaga districts of Jharkhand - Purchase of Bio-Media Kit (Under Swachh Vidyalaya Abhiyan) (Carry-over Project of FY 2019-20)	Sanitation	MHRD Schools of Hazaribagh & Lohardaga districts of Jharkhand	11,300	--	--	Direct	1. Work complete. a) Physical Progress – 100% b) Financial Progress – 100% 2. <b>Rs. 11,286/-</b> has been provisioned for payment of GST. 3. Balance <b>Rs. 14/-</b> has been transferred to "PM Cares Fund" on <b>30.09.2021</b> .
			<b>Sub-Total (2)</b>	<b>1,07,920</b>	--	<b>56,36,380</b>		
<b>3.</b>	<b>Drinking Water</b>							
i)	Construction of Solar based Drinking Water System in Adopted Village (Project Cost : Rs. 7,06,845/-) (Approved project of FY 2018-19)	Drinking Water	Village – Aamjharria, Sungi, Block – Karra, District – Khunti, State - Jharkhand	7,06,845	--	--	Direct	Project of FY 2018-19; Work Order placed in June'2019. Project cost is the Work Order value. Boring work was carried out in February' 2020, however it failed due to non-availability of underground water at the proposed location.
ii)	Construction of Solar based Drinking Water System in Adopted Village (Project Cost : Rs. 7,06,845/-) (Approved project of FY 2018-19)	Drinking Water	Village – Raj, Panchayat – Fudi, District – Khunti, State - Jharkhand	7,06,845	1,36,595	1,36,595	Direct	Project of FY 2018-19; Work Order placed in June'2019. Project cost is the Work Order value. Project Complete. Balance work : Supporting of Distribution pipe, Installation of Controller & Lightning arrester, etc.

1	2	3	4	5	6	7	8	Status of the Project
Sl. No.	CSR Projects or activity identified	Sector in which the Project is covered	Projects or Programmes 1. Local area or Others 2. Specify the state and district (where projects or programmes were undertaken)	Amount outlay (Budget) Project or Programme wise	Amount spent on the projects or programmes for FY 2021-22 Sub-heads : 1. Direct expenditure on projects or programmes 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency	
iii)	Construction of Solar based Drinking Water System in Adopted Village (Project Cost : Rs. 5,17,190/-) (Approved project of FY 2019-20)	Drinking Water	Village – Rupru, Block – Angara, District – Ranchi, State - Jharkhand	5,17,190	--	--	Direct	Project of FY 2019-20. Project cost is Work Order Value. Work Order placed in October'2020. Boring work was carried out in January'2021, however it failed due to non-availability of underground water at the proposed location.
			<b>Sub-Total (3)</b>	<b>19,30,880</b>	<b>1,36,595</b>	<b>1,36,595</b>		
4.	<b>Education</b>							
i)	Free Literacy programme for the under privileged children at 7 Community Education Centres in proper & near Ranchi & in Khunti district of Jharkhand • Study Materials, Stationery, etc. (for FY 2019-20) • Study Materials, Stationery, etc. (for FY 2020-21)	Education	Vill.-Pokhar Toli, Irgoo Toli (2 nos.), Argora, Ravidas Mohalla, Bharam Toli in proper & near Ranchi & Vill. – Rai of Khunti district of Jharkhand	11,380 40,000	-- 34,780	-- 34,780	Direct	Balance Fund of <b>Rs. 11,380/-</b> has been transferred to "PM CARES Fund" on <b>30.09.2021</b> . • <b>Rs. 3,889/-</b> has been provisioned for payment of GST. • Balance Fund of <b>Rs. 1,331/-</b> has been transferred to "PM CARES Fund" on <b>30.09.2021</b> .
			<b>Sub-Total (4)</b>	<b>51,380</b>	<b>34,780</b>	<b>34,780</b>		
5.	<b>Skill Development &amp; Livelihood</b>							
i)	Annual Examination (for FY 2019-20)	Women Empowerment Scheme (Employment/Livelihood Enhancing Vocational Skills)	Students of Stitiching Training Centre at Mani Tola, Doranda Mistri Mohalla, Hinoo, Argora, Kishoreganj, Jagannathpur in proper & near Ranchi, & Vill – Sungi of Khunti district of Jharkhand.	87,550	40,680	36,450 (in FY 19-20) + 40,680 (in FY 21-22) = <b>77,130</b>	Direct	• No. of Students appeared in the Examination of FY 2019-20: <b>36</b> • Due to COVID-19 Pandemic, Annual Examination delayed and held in the month of Nov., 2020. • Due to COVID-19, the office of M/s UIL was closed; however, after several reminders they submitted the bill in Sept., 2021. • Payment released in Dec, 2021. • Balance fund of <b>Rs. 46,869/-</b> was transferred to "PM CARES Fund" on <b>30.09.2021</b> .



1	2	3	4	5	6	7	8	
Sl. No.	CSR Projects or activity identified	Sector in which the Project is covered	Projects or Programmes 1. Local area or Others 2. Specify the state and district (where projects or programmes were undertaken)	Amount outlay (Budget) Project or Programme wise	Amount spent on the projects or programmes for FY 2021-22 Sub-heads : 1. Direct expenditure on projects or programmes 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency	Status of the Project
ii)	Renewal of School Code UBHP 183 with UIL (for FY 2020-21)				1,000	1,000		<ul style="list-style-type: none"> <li>Letter along with Bill of M/s UIL for Renewal of School Code received on 23.02.2021.</li> <li>Payment released in July, 2021.</li> <li>Balance fund of <b>Rs. 3,000/-</b> was transferred to "PM CARES Fund" on <b>30.09.2021</b>.</li> </ul>
iii)	Honorarium to Teachers of 6 Stitching Training Centres (FY 2020-21)			3,000	--	--		
iv)	Cloth, Stitching Materials, etc. (FY 2020-21) for Training of Students of 6 nos. Stitching Training Centres			45,000	37,638	37,638		<ul style="list-style-type: none"> <li><b>Rs. 4,288/-</b> has been provisioned for payment of GST.</li> <li>Balance Fund of <b>Rs. 3,074/-</b> has been transferred to "PM CARES Fund" on <b>30.09.2021</b>.</li> </ul>
v)	Annual Examination (FY 2020-21) of Students of 6 nos. Stitching Training Centres			1,25,000	91,699	91,699	Direct	<ul style="list-style-type: none"> <li>No. of Students appeared in the Examination of FY 2020-21 : <b>44</b></li> <li>Due to COVID-19 Pandemic, Annual Examination delayed and held in the month of Sept., 2021.</li> <li>Bill submitted by M/s UIL in Sept., 2021.</li> <li>Payment released in Dec., 2021.</li> <li>Balance fund of <b>Rs.33,301/-</b> was transferred to "PM CARES Fund" on <b>30.09.2021</b>.</li> </ul>
vi)	Providing New Stitching Machines (Project of FY 2020-21)			1,05,000	--	--	Direct	Tender scrutiny under progress.
vii)	Vocational Training of Youths of Adopted Village – Sungi (for Welding Technician Training – 6 Months Course) (Project Cost : Rs. 4,14,000/-) (Approved Project of FY 2019-20)	Enhancing Vocational Skills	Jharkhand Govt. Tool Room, Tatisilwe, Ranchi	2,07,000	2,07,000	2,07,000 (FY 2019-20) +2,07,000 (in FY 21-22) <b>=4,14,000</b>	Direct	<ul style="list-style-type: none"> <li>No. of Students : <b>06</b></li> <li>Classes Started from Feb.2020 and continued till 2nd Week of Mar.2020</li> <li>Classes suspended from 2nd week of Mar.2020 due to COVID-19 Pandemic</li> <li>Classed resumed from 2nd week of Mar.2021 and continued till 8th April 2021.</li> <li>Classes again suspended due to COVID-19</li> <li>Classes resumed from 3rd week of August' 2021.</li> <li>Course completed in November' 2021 and certificates were given to the Students in November' 2021.</li> <li>Bill received in Dec., 2021.</li> <li>Payment released in March, 2022.</li> </ul>
			<b>Sub-Total (5)</b>	<b>5,72,550</b>	<b>3,78,017</b>	<b>6,21,467</b>		

1	2	3	4	5	6	7	8	Status of the Project
Sl. No.	CSR Projects or activity identified	Sector in which the Project is covered	Projects or Programmes 1. Local area or Others 2. Specify the state and district (where projects or programmes were undertaken)	Amount outlay (Budget) Project or Programme wise	Amount spent on the projects or programmes for FY 2021-22 Sub-heads : 1. Direct expenditure on projects or programmes 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency	
<b>6.</b>	<b>Projects for Differently Abled/ Divyangs</b>							
i)	Renovation of Roof and False Ceiling alongwith Illumination facilities of Dining Hall-cum-Candle Making Section of Cheshire Homes India, Ranchi (A Home for <b>Physically challenged Persons – Divyangs</b> ) (Approved Project of FY 2019-20)	Project for Divyang	Cheshire Homes India, Bariatu, Ranchi	10,00,293	--	--	Direct	Work order placed on Party in February'2021. Work under progress.
ii)	Renovation of Printing Section Building of Cheshire Homes India, Ranchi (A Home for <b>Physically challenged Persons – Divyangs</b> ) (Approved Project of FY 2019-20)	Project for Divyang	Cheshire Homes India, Bariatu, Ranchi	18,15,001	--	--	Direct	Work order placed on Party in February'2021. Work under progress.
iii)	Providing Vehicle to Jharkhand Parents Association, Ranchi for facilitation of conveyance of <b>Divyangs</b> to "KOSHISH" - A Special School-cum- Vocational Training Centre	Project for Divyang	Jharkhand Parents Association, Ranchi.	116	--	--	Direct	Balance fund of <b>Rs.116/-</b> was transferred to "PM CARES Fund" on <b>30.09.2021</b> .
			<b>Sub-Total (6)</b>	<b>28,15,410</b>	--	--		
<b>7.</b>	<b>Social Welfare</b>							
i)	Construction of Boys Hostel in <b>Orphanage "Anmol Basera"</b> (Project cost: Rs. 34,96,160/-) (Approved Project of FY 2015-16)	Infrastructure Development Programme	Village – Sungi, Block – Karra, District – Khunti, State - Jharkhand	17,55,800	10,21,068	10,14,860 (in FY 19-20)+ 7,25,500 (in FY 20-21)+ 10,21,068 (in FY 21-22) <b>= 27,61,428</b>	Direct	Construction work complete. Balance work : Installation of Entrance Gate. Final Bill awaited from the Contractor.
ii)	Construction of Borewell at <b>Old Age Home</b> (Project cost: Rs. 3,05,660/-) (Approved Project of FY 2017-18)	Drinking Water	Vihar Samaj Kalyan Sansthan, Vill – Kulgu, Block – Nagri, Dist – Ranchi (Jharkhand)	3,05,660	--	--	Direct	Work Complete Work Amendment in Jan., 2022. Bill submitted in Mar., 2022. Bill under processing.

1	2	3	4	5	6	7	8	Status of the Project
Sl. No.	CSR Projects or activity identified	Sector in which the Project is covered	Projects or Programmes 1. Local area or Others 2. Specify the state and district (where projects or programmes were undertaken)	Amount outlay (Budget) Project or Programme wise	Amount spent on the projects or programmes for FY 2021-22 Sub-heads : 1. Direct expenditure on projects or programmes 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency	
iii)	Construction of Community Centre (Project cost: Rs. 40,55,205) (Carry-over project of FY 2013-14)  Start date: 07.06.2013 Completion date: 06.04.2014 (10 months)	Infrastructure Development Programme	Akbarpur, Dist.-Kampur Dehat, State – U.P.	27,00,595	--	6,11,370 (FY 13-14) 57,450 (FY 15-16)+ 6,62,930 (in FY 16-17)+ 22,860 (in FY 17-18) = <b>13,54,610</b>	Direct	<ul style="list-style-type: none"> <li>Construction work under progress</li> <li>a) Work done upto Roof level.</li> <li>b) Physical progress – 61.79%</li> <li>c) Financial progress – 33.40%</li> <li>Anti-profiteering document submitted vide letter dtd.29.11.2021.</li> <li>In spite of several reminders, Revised 6th RA Bill is still awaited from M/s HSCL.</li> <li>Balance work : Flooring, Plastering, Finishing of Windows, Electrical, Painting, .Filling &amp; Compaction of outer area, CI cover of Manhole, Boundary Wall, Gate, etc.</li> </ul>
			<b>Sub-Total (7)</b>	<b>47,62,055</b>	<b>10,21,068</b>	<b>41,16,038</b>		
<b>8.</b>	<b>Rural Development</b>							
i)	Construction of Toilet complexes (14-Seater)	Infrastructure Development Programme - Sanitation	Village Residential School (Pranavanand Vidya Mandir), Pancha Vill-Pancha, Block-Bundu, Dist-Ranchi (Jharkhand)	15,52,000	--	--	Direct	Work Complete. LD amount withheld.
ii)	Construction of Toilet complexes (10-seater toilet)	Infrastructure Development Programme - Sanitation	Village – Pancha Block-Bundu, Dist-Ranchi (Jharkhand)		--	--	Direct	Work complete. LD amount withheld.
iii)	Construction of 1 no. Toilet complex (5-seater toilet) for Girls at <b>Orphanage Hostel (Anmol Basera)</b>	Infrastructure Development Programme - Sanitation	Village – Sungi, Block – Karra Dist – Khunti, State – Jharkhand		--	--	Direct	Work complete. LD amount withheld. Contractor has submitted the documents related to its claim on LD.

1	2	3	4	5	6	7	8	Status of the Project
Sl. No.	CSR Projects or activity identified	Sector in which the Project is covered	Projects or Programmes 1. Local area or Others 2. Specify the state and district (where projects or programmes were undertaken)	Amount outlay (Budget) Project or Programme wise	Amount spent on the projects or programmes for FY 2021-22 Sub-heads : 1. Direct expenditure on projects or programmes 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency	
iv)	Construction of 1 no. Toilet Complex (5-seater toilet) for Boys at <b>Orphanage Hostel (Anmol Basera)</b>	Infrastructure Development Programme Sanitation	Village – Sungi, Block – Karra Dist – Khunti, State - Jharkhand		--	--	Direct	Work complete. LD amount withheld.
v)	Construction of Toilet Complex in Adopted Village (Project cost: Rs. 59,13,783/-) (Carry-over projects of FY 2012-13)	Infrastructure Development Programme - Sanitation	Village- Parsa Toli, Pancha, Block- Bundu, Dist.- Ranchi	28,31,063	4,76,215	5,33,985 (in FY 12-13)+ 13,22,260 (in FY 13-14)+ 3,31,480 (in FY 15-16)+ 4,25,390 (in FY 16-17)+ 1,63,285 (in FY 19-20)+ 3,06,320 (in FY 20-21)+ 4,76,215 (in FY 21-22) <b>= 35,58,935</b>	Direct	Physical progress – 74% Financial progress – 60.18% Balance work: Electrics, Painting, Floor Polishing, Solar PV System, etc. 8th RA Bill awaited from Contractor.
vi)	Construction of a Classroom at Madarsa Ahle Sunnat (Project cost : Rs. 7,60,677/-) (Carry-over project of FY 2012-13) Start date : 27.11.2012 Completion date : 31.03.2013 (4 months) (As per Work Order)	Infrastructure Development Programme – Construction of Classroom	Village-Raigaon, Dewariya Alawal, Dist-Gonda, State – U.P.	2,02,136	--	3,54,700 (in FY 13-14) + 2,03,840 (in FY 14-15) <b>=5,58,540</b>	Direct	Project closed and Balance Fund of <b>Rs. 2,02,136/-</b> transferred to "PM CARES Fund" on <b>25.11.2021</b> .

1	2	3	4	5	6	7	8	Status of the Project
Sl. No.	CSR Projects or activity identified	Sector in which the Project is covered	Projects or Programmes 1. Local area or Others 2. Specify the state and district (where projects or programmes were undertaken)	Amount outlay (Budget) Project or Programme wise	Amount spent on the projects or programmes for FY 2021-22 Sub-heads : 1. Direct expenditure on projects or programmes 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency	
vii)	Construction of Toilet Complex (8-Seater toilet) (Project cost: Rs. 20,66,830/-) (Approved Project of FY 2018-19)	Infrastructure Development Programme - Sanitation	Village – Bar Toli, Pancha, Block – Bundu, Taimara, District - Ranchi	20,66,830	--	--	Direct	a) Work done upto Roof level. b) Physical progress – 20% c) Financial progress- NIL d) 1st RA Bill submitted by Contractor. e) Payment shall be released upon submission of EPF & ESI documents by Contractor. f) Balance work: Plastering, Flooring, Plumbing, Borewell, Doors, Windows, Sanitary, Electrics, Finishing, Solar PV System, etc.
			<b>Sub-Total (8)</b>	<b>66,52,029</b>	<b>4,76,215</b>	<b>41,17,475</b>		
<b>9.</b>	<b>Other activities/Miscellaneous programs</b>							
i)	Miscellaneous Expenses such as - Engagement of Photographer on contract, Preparation of Civil drgs. Thro' Agency; expenses on miscellaneous activities, etc.			9,32,624	--	--		<b>Rs. 9,32,624/-</b> transferred to "PM CARES Fund" on <b>30.09.2021</b> .
ii)	Miscellaneous Expenses related to Healthcare & Nutrition Programme				5,492	--		
			<b>Sub-Total (9)</b>	<b>9,32,624</b>	<b>5,492</b>			
			<b>Total (1 to 9)</b>	<b>1,81,54,072</b>	<b>20,75,053</b>			
<b>10.</b>	<b>Contribution to the Prime Minister's National Relief Fund</b>							
i)	Contribution to "PM CARES Fund" to fight COVID-19 Pandemic		PM CARES Fund Delhi	--	14,54,287			
			<b>Sub-Total (10)</b>	<b>--</b>	<b>14,54,287</b>			
			<b>Grand Total</b>	<b>1,81,54,072</b> (~Rs. 181.54 Lakhs)	<b>35,29,340</b> (~Rs. 35.29 Lakhs)			

# **CORPORATE SOCIAL RESPONSIBILITY**

## **BOARD'S REPORT**

### **FOR FINANCIAL YEAR 2021-22**

### **(COMMENCING ON OR AFTER 1<sup>ST</sup> DAY OF APRIL, 2020)**

**1. a) Brief Outline of CSR Policy of MECON Limited** : .

- The CSR Policy of your Company is in accordance with the provisions of the Companies Act, 2013; DPE guidelines; & Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 and is approved by the Board based on the recommendation of the CSR Committee. The Board approved CSR Policy of the Company is available at : [www.meconlimited.co.in/Writereaddata/Downloads/CSR\\_Policy\\_MECON\\_JULY2021.pdf](http://www.meconlimited.co.in/Writereaddata/Downloads/CSR_Policy_MECON_JULY2021.pdf)
- Your Company has two-tier organizational structure to steer the CSR agenda. The Board Level CSR Committee comprising of a Part Time Independent Director as Chairperson & two functional Directors as Member and a team of cross-section of employees, headed by a Nodal Officer constitutes the two-tier organization structure.
- The annual action plan for CSR is recommended by CSR Committee to the Board; and the same is approved by the Board.
- Your Company allocates and spends in each financial year, at least 2% of the average net profits made during the three immediately preceding financial years.
- Any unspent fund of on-going projects is transferred to Unspent CSR Account; and the unspent/unutilized fund of other than on-going projects is transferred to specified fund (as per amendment in Section 135 of Companies Act, indicated in Sl. No. 21 of The Companies (Amendment) Act, 2019 notified by Ministry of Law and Justice in the Gazette of India dtd. 31.07.2019)
- CSR projects/activities can be taken up at any location in India considering your Company's business interests. However Aspirational Districts shall be the preferred area of operation. Since the Head Office of your Company is situated in Ranchi, Jharkhand state shall get the priority for CSR projects/activities.
- The CSR activities of your Company are as per Schedule-VII to the Companies Act, 2013, with special attention to the development of weaker/marginalized/under privileged sections of the society including SC/ST/OBC/Minorities, women and children, old and aged, physically challenged etc.
- The Nodal Officer (CSR) alongwith the Head of CSR Cell co-ordinates & implements the CSR projects/activities.
- All the CSR activities are implemented in project mode.
- The purchase / procurement / ordering activities related to construction/civil projects/activities and others such as sourcing of items/services are carried out as per the Rules & Regulations of the Company.
- The implementation and monitoring of CSR activities are carried out by your Company itself.
- Impact Assessment for all completed CSR projects/activities shall be carried out as per Sub-rule (3) of Rule 8 of Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 dtd. 22.01.2021.
- Your Company reports/discloses CSR activities to stakeholders through its official website: [www.meconlimited.co.in/csr.aspx](http://www.meconlimited.co.in/csr.aspx) and its Annual Report at : [www.meconlimited.co.in/Annual\\_Report.aspx](http://www.meconlimited.co.in/Annual_Report.aspx).

**b) The overview of CSR Projects/Activities undertaken by your Company during the year are as follows:**

- i) Nutrition
- ii) Healthcare
- iii) Education
- iv) Skill Development & Livelihood
- v) Disaster Management including Relief
- vi) Other activities/ Miscellaneous Programs

2. Composition of the CSR Committee : As per Item No.2 of Annexure-I.
3. Web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of Company : <http://www.meconlimited.co.in/csr.aspx>
4. 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, 2021, if applicable (attach the report) : Not Applicable
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, 2021 and amount required for set off for the financial year, if any : Nil

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set-off for the financial year, if any (in Rs.)
1	2021-22	Nil	Nil
2	--	--	--
3	--	--	--
	<b>TOTAL</b>	<b>Nil</b>	<b>Nil</b>

6. Average net profit of the company as per section 135(5) : Rs. 3,868.96 Lakh
7. (a) Two percent of average net profit of the company as per section 135(5) : Rs. 77.38 Lakh
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. : ---
- (c) Amount required to be set off for the financial year, if any : ---
- (d) Total CSR obligation for the financial year (7a+7b-7c). : Rs. 77.38 Lakh
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred in 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
43,29,470/- (~Rs. 43.29 Lakh)	17,29,530/- (~17.30 Lakh)	30.04.2022	PM CARES Fund	16,79,000/- (~Rs. 16.79 Lakh)	22.08.2022

Note : The Break-up of Rs. 77.38 Lakhs is as follows : Rs. 43,29,470/- + Rs. 17,29,530/- + Rs. 16,79,000/-.

- (b) Details of CSR amount spent against **Ongoing projects** for the financial year : Rs. 29,30,470/-  
Details at **Appendix- A**
- (c) Details of CSR amount spent against **Other than Ongoing projects** for the financial year : Rs. 10,24,000/-  
Details at **Appendix- B**
- (d) Amount spent in Administrative Overheads : Rs. 3,75,000/-
- (e) Amount spent in Impact Assessment, if applicable : Nil
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) : Rs. 43,29,470/-
- (g) Excess amount for set off, if any : Nil

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. 77,38,000/-
(ii)	Total amount spent for the Financial Year	Rs. 43,29,470/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Not Applicable
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	---
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	---

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 section 135(6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	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 Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
1.	2020-21	84,28,017/-	37,79,877/-	PM CARES	33,45,776/-	30.09.2021 & 04.01.2022	13,02,364/-
2.	-	-	-	-	-	-	-
3.	-	-	-	-	-	-	-
	TOTAL	84,28,017/-	37,79,877/-	-	33,45,776/-	-	13,02,364/-

(b) Details of CSR amount spent in the financial year for Ongoing : Rs. 37,79,877/-  
projects of the preceding financial year(s) Details at **Appendix- C**

10. In case of creation or acquisition of capital asset, furnish the details relating : Not Applicable  
to the asset so created or acquired through CSR spent in the financial year  
(asset-wise details)

- Date of creation or acquisition of the capital asset(s)
- Amount of CSR spent for creation or acquisition of capital asset
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

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

- Nutrition project for Children in Adopted Villages - Ranchi & Khunti districts of Jharkhand.  
The Project commenced from Sept. 2021 and was envisaged to continue monthly upto March 2022. The procurement of Nutritional Supplements for Feb & Mar 2022 could not be completed in FY 2021-22; and is planned to be carried out in FY 2022-23.
- Purchase of Bio-Media Kit / Bacteria for Annual Maintenance of Pre-fabricated Bio-Toilets  
Work order could not be placed. The balance fund transferred to "PM CARES Fund" on 22.08.2022.
- Procurement of Items/ Equipment/ Machine etc. for Setting up Makeshift Hospital and Temporary COVID Care facilities at Ispat Hospital, Shyamali, Ranchi  
Some of the Items / Equipment / Machine etc. envisaged for Setting up Makeshift Hospital and Temporary COVID Care facilities at Ispat Hospital, Shyamali, Ranchi were procured during FY 2021-22.



However, other Item / Equipment / Machine etc. are in different stages of Procurement, and could not be completed in the FY 2021-22, for the complete set-up of the same. The same is envisaged to be procured in FY 2022-23.

iv) Running of Literacy Centres in Ranchi & in Khunti district of Jharkhand

Work order for Study materials, Dress/Uniform, etc. could not be placed. The balance fund transferred to "PM CARES Fund" on 22.08.2022.

v) Setting up of Smart Classrooms in Educational Institutions - Either in Prayagraj or Kaushambi District of Uttar Pradesh

The project could not be commenced. The balance fund transferred to "PM CARES Fund" on 22.08.2022.

vi) Vocational Training, Skill development etc. of Youth of Adopted villages (Ranchi & Khunti districts of Jharkhand)

Work order could not be placed. The balance fund transferred to "PM CARES Fund" on 22.08.2022.

vii) Running of Stitching Centres in Ranchi & in Khunti district of Jharkhand

Work order for Procurement of Cloths & Stitching materials etc. could not be placed. The balance fund transferred to "PM CARES Fund" on 22.08.2022.

Shri Sanjay Kumar Verma  
Director (Commercial)

Smt. Manju Chandra  
Chairperson (CSR Committee)

**Appendix- A**
**8 (b) Details of CSR amount spent against On-Going projects for the financial year 2021-22**

(1) Sl. 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) Project duration	(7) Amount allocated for the project (in Rs.)	(8) Amount spent in the current financial year (in Rs.)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(G) (in Rs.)	(10) Mode of Implementation Direct (Yes/No)	(11) Mode of Implementation Through Implementing Agency	
				State	District						Name	CSR Registration Number
1	Nutrition project for Children in Adopted Villeges – Ranchi & Khunti districts of Jharkhand	(i)	No	Jharkhand	Ranchi & Khunti	2 months	11,50,000	8,20,372	3,29,628	Yes	--	--
2	Procurement of Items / Equipment/ Medicine etc. for Setting-up Makeshift Hospital and Temporary COVID Care facilities at Ispat Hospital, Shyamali, Ranchi.	(i)	Yes	Jharkhand	Ranchi	1 year	35,10,000	21,10,098	13,99,902	Yes	--	--
	<b>TOTAL</b>					<b>Total</b>	<b>46,60,000 (~Rs. 46.60 Lakhs)</b>	<b>29,30,470 (~Rs. 29.30 Lakhs)</b>	<b>17,29,530 (~Rs. 17.30 Lakhs)</b>			

**Appendix- B**
**8 (c) Details of CSR amount spent against Other than On-Going projects for the financial year 2021-22**

(1) Sl. 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 Rs.)	(7) Mode of Implementation Direct (Yes/No)	(8) Mode of Implementation Through Implementing Agency	
				State	District			Name	CSR Registration Number
1	Running of Literacy Centres in Ranchi & in Khunti districts of Jharkhand	(ii)	Local as well as Beyond Local	Jharkhand	Ranchi & Khunti	2,52,000	Yes	--	--
2	Running of Stitching Centres in Ranchi & in Khunti districts of Jharkhand	(ii)	Local as well as Beyond Local	Jharkhand	Ranchi & Khunti	2,07,000	Yes	--	--
3	Contribution to "Jharkhand State Disaster Mitigation Fund" to fight COVID-19 pandemic	(xii)	Yes	Jharkhand	Ranchi	5,00,000	Yes	--	--
4	Other activities / Miscellaneous	--	Yes	Jharkhand	Ranchi	65,000	Yes	--	--
	<b>TOTAL</b>					<b>10,24,000 (~Rs. 10.24 Lakhs)</b>			

## 9 (b) Details of CSR amount spent in the financial year for On-Going Projects of the preceding financial years

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project – Completed / Ongoing
1.	---	Expenses of purchase of various items for Ispat Hospital (MECON's Township Hospital)(Purchase of Sanitizer/chemical, Medicines, face masks, gloves, PPE kits, cleaning material for Sanitization, Ventilator etc.) and other necessary expenses to fight COVID-19	2020-21	1 year	21,50,000/-	13,64,999/-	15,98,061/-	Completed Balance fund of <b>Rs. 5,51,939/-</b> to be transferred to PM CARES Fund
2.	---	Cataract surgery for poor/down-trodden/needly villagers of Adopted villages / other villages/ under-developed/ slum areas etc. of Ranchi & Khunti districts of Jharkhand.	2020-21	1 year	3,00,000/-	Nil	Nil	Ongoing
3.	---	Providing Ambulance to NGO/Societies etc. of Ranchi/ Khunti districts of Jharkhand.	2020-21	8 months	8,00,000/-	Nil	Nil	Completed (Abandoned) Fund transferred to PM CARES Fund on <b>04.01.2022</b>
4.	---	Providing Digital Ante Natal Kit to Public Health Centres/ ANMs in various Blocks of Ranchi district (Jharkhand)	2020-21	6 months	8,70,000/-	8,57,902/-	8,57,902/-	Completed Balance fund of <b>Rs. 12,096/-</b> transferred to PM CARES Fund on <b>30.09.2021</b>
5.	---	Purchase of Bio-Media Kit / Bacteria for Annual Maintenance of Pre-fabricated Bio-Toilets installed in Lohardaga & Hazaribagh districts of Jharkhand.	2020-21	6 months	1,00,000/-	72,688/-	72,688/-	Completed Balance fund of <b>Rs. 27,312/-</b> transferred to PM CARES Fund on <b>30.09.2021</b>
6.	---	Setting up Science Lab in Schools in Ranchi District	2020-21	6 months	6,84,000/-	Nil	Nil	Completed (Abandoned) Fund transferred to PM CARES Fund on <b>30.09.2021</b>
7.	---	Vocational Training, Skill development etc. of Youths of Adopted villages / other villages etc. of Ranchi & Khunti districts of Jharkhand	2020-21	1 year	15,66,000/-	11,26,224/-	11,26,224/-	Ongoing
8.	---	Providing Game items to Village teams of Adopted villages / Other villages of Ranchi/Khunti districts of Jharkhand etc.	2020-21	6 months	2,50,000/-	1,21,450/-	1,21,450/-	Completed Balance fund of <b>Rs. 1,28,550/-</b> transferred to PM CARES Fund on <b>30.09.2021</b>
9.	---	Nutrition project for poor/down-trodden/ needy children of Adopted villages/ other villages/ under-developed/ slum / nearby etc. of Ranchi & Khunti districts of Jharkhand.	2020-21	1 year	9,00,000/-	2,36,614/-	7,29,795/-	Completed Balance fund of <b>Rs. 1,70,205/-</b> transferred to PM CARES Fund on <b>30.09.2021</b>
		<b>TOTAL</b>				<b>37,79,877/-</b> (~Rs. 37.80 Lakhs)		

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## 1. INTRODUCTION

Your Company, amidst numerous challenges, has maintained its position as India's leading engineering & consultancy organization and has continued to tread on the path of sustainable growth and profitability while scaling up its operations across all business verticals.

The Company has taken initiatives to align with the industry by strengthening its current offerings and targeting new services with strategic partners to meet challenges emerging from changed business scenario. The recent foray into newer area of O&M service of Integrated Steel Plant stands testimony to Management conviction. It is proactively driving the "Atmanirbhar Bharat" campaign in Iron & Steel sector and has been successfully executing projects aligned with National priorities like Make in India, Skill India, UDAY, IPDS, DDUGJY, Urja Ganga, Digital India, Ayushman Bharat etc. Your Company is also pursuing to widen its global outreach through geographical diversification in International market.

The Company has developed strategies in the areas of technology & services, business strategy, project execution & human capital required for envisioned growth of the company.

## 2. SWOT ANALYSIS

### I. STRENGTHS

- a. Multi-disciplinary experienced and capable pool of engineers, scientists and technologists in various specialized technical disciplines.
- b. Vast knowledge repository and reference materials, being a legacy design, engineering and consultancy organization.
- c. Core competency in providing end-to-end solutions in the area of metals and mining with established market recognition.
- d. Capability in equipment, system design and supply & execution in ferrous sector.
- e. Prominent presence in gas pipelines project of GAIL (Long Distance Pipe Line and City Gas Distribution etc.)
- f. In-house Environmental Engineering Laboratory. NABET/ QCI Accreditation for 18 sectors.
- g. Relatively low average age of employee due to induction of young professionals.
- h. Good credentials with financial institutions and regulatory authorities.
- i. Wide network of offices at various locations across the country.
- j. MoU with global technology providers to provide end to end solution covering the entire value chain of steel sector.

### II. WEAKNESSES

- a. High incidence of employee benefit expense as compared to some of the competitors, especially in the private sector.
- b. Depletion of critical knowledge, skills in certain areas on account of superannuation and separation of experienced manpower.
- c. Skewed organization structure (still under transition).
- d. Inadequate experienced manpower for execution activities at project sites.
- e. Consolidation of strength in diversified sectors may take some more time.
- f. Very limited presence in the overseas market.
- g. Public sector limitation in operational flexibility.

### III. OPPORTUNITY

- a. Indigenous opportunities through Atmanirvar Bharat Abhiyan of GoI anticipated increased investments in mining, beneficiation, agglomeration & pelletisation, slurry transportation, coal washeries and coal gasification
- b. Possible future investment in steel sector in view of the National Steel Policy objective of attaining 300 Mt crude steel capacity by 2030-31.
- c. Large scale investments in other diversified sectors viz. oil & gas, infrastructure and strategic sectors, power transmission & distribution and renewable energy sector.
- d. Leveraging past experience in defence sector to harness new opportunities emanating with the opening of defence production sector for participation of private sector (FDI raised to 100% from earlier 74%), defence offset policy and through indigenisation in defence sector.
- e. Expansion in ports, power and mining sector are expected to offer associated material handling projects and the Company expects to generate business from this sector, both on its own credentials and also through joint participation with other companies.
- f. Opportunities from Govt. flagship schemes such as, Deen Dayal Upadhaya Gram Jyoti Yojna (DDUGJY), Integrated Power Distribution System (IPDS), National Hydrogen Mission Gati Shakti, Jal Jeevan Mission, Bharat Net, Digital India, Production Link Incentive scheme (PLI) for specialty steel etc.

### IV. THREATS

- a. Mushrooming of consultancy companies operating at low margins.
- b. Presence of Indian set-up of all major MNCs like SMS, Siemens, Danieli, Kobe Steel, etc. providing comprehensive services including engineering. Private sector, in particular, opting for engineered packages from the turnkey suppliers, with limited engagement of external consultants.
- c. Stringent technical pre-qualification criteria for consultancy as well as supply jobs.
- d. Decline in investment in the core area of metals accentuated by COVID-19 impact but continued dependence on metals sector.
- e. Fluctuating price of iron and steel items.
- f. Uneven playing ground for public and private sectors.
- g. Today's consortium partners emerge as future competitors.
- h. Risk and uncertainty in foreign strategic tie-ups.
- i. Long approval process along with delays in infrastructure sector may impact the overall opportunity in the sector.
- j. Delays in statutory clearances, land acquisition and R&R issues.

## 3. BUSINESS OUTLOOK

### GLOBAL ECONOMIC SCENARIO

Two years into the COVID-19 pandemic, the global economy continues to be plagued by uncertainty, with resurgent waves of mutant variants, supply-chain disruptions and a return of inflation in both advanced and emerging economies. Global growth is estimated to have surged to 5.5% in 2021- its strongest post-recession pace in 80 years, as a relaxation of pandemic-related lockdowns in many countries helped boost demand. Notwithstanding this annual increase, resurgences of the COVID-19 pandemic and widespread supply bottlenecks weighed appreciably on global activity in the second half of last year. Moreover, emerging market and developing economies (EMDEs) are experiencing notably weaker and more fragile recoveries compared to those in advanced economies as a result of slower vaccination progress, a more limited policy

response, and the pandemic's scarring effects. In particular, these scarring effects on potential output reflect the pandemic's adverse impact on EMDE physical and human capital. Among the most vulnerable countries, the impact of the pandemic will reverse several years of income gains.

Global energy prices surged in the second half of 2021, particularly for natural gas and coal, owing to recovering demand and constrained supply. Meanwhile, non-energy commodity prices have stabilized, with some at or close to record highs. After rising briskly earlier last year, global trade has plateaued, owing to softening growth of demand for traded goods and supply bottlenecks caused by pandemic-related factory and port shutdowns, weather-induced logistical obstacles, and shortages of semiconductors and shipping containers.

Global trade has rebounded in tandem with global economic activity. After reaching 9.5% in 2021, global trade is expected to slow to 5.8% in 2022 and to 4.7% in 2023, as demand moderates. International travel is likely to remain subdued in the near term but gradually recover over the forecast horizon.

The good news is that output in many countries rebounded in 2021 after a sharp decline in 2020. Advanced economies and many middle-income countries have reached substantial vaccination rates. International trade has picked up and high commodity prices are benefiting many developing countries. Domestic financial crises and foreign debt restructurings have been less frequent than might have been expected in a time of severe global shocks.

#### INDIAN ECONOMIC SCENARIO

The Indian economy, as seen in quarterly estimates of GDP, has been staging a sustained recovery since the second half of 2020-21. Although the second wave of the pandemic in April-June 2021 was more severe from a health perspective, the economic impact was muted compared to the national lockdown of the previous year. Advance estimates suggest that GDP will record an expansion of 9.2% in 2021-22. This implies that the level of real economic output will surpass the pre-COVID level of 2019-20.

In contrast to the steady performance of the primary sector, the industrial sector went through a big swing by first contracting by 7% in 2020-21 and then expanding by 11.8% in this financial year. The manufacturing, construction and mining sub-sectors went through the same swing although the utilities segment experienced a more muted cycle as basic services such as electricity and water supply were maintained even at the height of the national lockdown.

Since January 2021, the widely used Purchasing Managers' Index-Manufacturing has remained in the expansionary zone (i.e., over 50) except for one month when the second wave had slowed down economic activity. The Index of Industrial Production (IIP) and Core Industry indices have both followed a similar pattern and, in November 2021, went past their pre-pandemic level for the corresponding month in 2019. Rising capital expenditure by the government on infrastructure and an uptick in the housing cycle have been responsible for reviving the construction sector. This has allowed the consumption and production of steel and cement consumption to revert to pre-COVID levels. Statistics provided by RBI and leading real estate companies' show significant revival in the Indian residential real market in 2021 in terms of growth in sales, prices and new Launches.

Services account for more than half of the Indian economy and was the most impacted by the COVID-19 related restrictions, especially for activities that need human contact. Although the overall sector first contracted by 8.4% in 2020-21 and then is estimated to grow by 8.2% in 2021-22, it should be noted that there is a wide dispersion of performance by different sub-sectors. Both the Finance, Real Estate and the Public Administration segments are now well above pre-COVID levels. However, segments like travel, trade and hotels are yet to fully recover. It should be added that the stop-start nature of repeated pandemic waves makes it especially difficult for these sub-sectors to gather momentum.

India's exports of both goods and services have been exceptionally strong so far in 2021-22. Merchandise exports have been above US\$ 30 billion for eleven consecutive months (during May, 2021 to March, 2022) in

2021-22, despite a rise in trade costs arising from global supply constraints such as fewer operational shipping vessels, exogenous events such as blockage of Suez Canal and COVID-19 outbreak in port city of China etc. Concurrently, net services exports have also risen sharply, driven by professional and management consulting services, audio visual and related services, freight transport services, telecommunications, computer and information services. From a demand perspective, India's total exports has grown by 43.18% in 2021-22 to USD 417.81 billion surpassing pre-pandemic levels. Imports also recovered strongly with revival of domestic demand and continuous rise in price of imported crude and metals. Imports has grown by 54.71% in 2021-22 to USD 610.22 billion surpassing corresponding pre-pandemic levels.

#### 4. INTERNAL CONTROL SYSTEMS AND ADEQUACY THEREOF

Your Company not only has a proper and adequate system of internal control and proper documented procedure encompassing all financial and operating functions but also a history and tradition bequeathed since inception.

These have been planned to provide reasonable accuracy for maintenance of proper accounting and adequate control to monitor and to govern the company's fund, to optimize internal resources for increasing operational efficiency, to secure assets from unauthorized use and to ascertain reliance on financial and all other operational information.

Your Company has undertaken unified untiring team effort to achieve the best possible state-of-the art system.

Salient facets of the internal control system are:

- An in-house internal audit team is responsible for reviewing the established internal control systems at place within the organization. To maintain its objectivity and independence, the Internal Audit Section reports directly to the Chairman and Managing Director.
- Your Company has an extensive programme of carrying out internal audits, management and financial reviews to ensure greater efficiency, transparency and accountability.
- Quarterly Internal Audit reports comprising of significant audit observations and follow-up actions thereon are placed before the Audit Committee for their consideration and review.
- Well defined delegation of power with sanctioning limits for purchasing of capital items and approving of revenue expenditure.
- Well planned budget for capital & revenue expenditure and continuous monitoring.
- Keeping with various regulatory changes, guidance issued by authorities and for bringing uniformity in the process flow of work and strengthening control mechanism, a more robust and efficient Purchase and Disposal Procedure, 2019 have been adopted since January, 2020.
- Well framed Establishment Manual and Service Rules to codify rules and policies governing service conditions of employees.
- Well codified Apex Quality Manual for ensuring quality of services provided and goods sold for executing EPC jobs.
- Periodical meeting at all functional levels and also at corporate level for reviewing and achieving the targeted results.
- With implementation of online information system starting from raising of invoices to collection of money, the entire system has been made more effective in terms of furnishing factual information in shortest possible time.
- Well defined plan to invest surplus fund most judiciously and reporting thereof to the Apex management regularly.
- Observations and findings of Internal Audit are well taken care of and compliance reports of the implementations made are periodically submitted to the Management and Audit Committee of the Board.

## 5. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the Financial Year 2021-22, your Company achieved Turnover of ₹58,667.12 lakhs. Turnover from Consultancy Jobs is ₹38,285.59 lakhs, mainly from execution of consultancy order for GAIL, NMDC, different Steel Plants of SAIL, etc. Turnover from Consultancy Jobs constituted 65.26% of the total turnover, turnover from Turnkey Projects constituted 32.93% of total turnover and turnover from Procurement Services constituted 1.81% of total turnover. Total turnover has decreased by 18.29% over the previous year.

During the year 2021-22, the Company has made Profit After Tax of ₹1,369.85 lakhs compared to Profit After Tax of ₹624.37 lakhs of the previous year.

During the Financial Year 2021-22, the Company has earned interest of ₹2,223.99 lakhs through term deposits with scheduled banks. The Net Worth of the company has increased by ₹1,369.85 lakhs compared to previous year.

The highlights of financial performance of the Company for the financial year 2021-22 with respect to financial year 2020-21 are mentioned below.

(₹ in lakhs)

Sl.	Particulars	FY 2021-22	FY 2020-21
a)	Turnover	58,667.12	71,800.45
b)	Revenue from Operations	60,275.23	75,212.37
c)	Total Income	64,121.06	79,657.18
d)	Purchase of Equipments & Direct Expenses	19,076.02	35,466.83
e)	Employee Benefit Expenses	32,415.60	32,245.89
f)	Other Expenses	9,284.80	7,910.29
g)	Profit / (Loss) Before Tax	1,953.66	1,910.85
h)	Profit / (Loss) After Tax	1,369.85	624.37
i)	Total Comprehensive Income	1,183.79	(-) 547.95
j)	Property Plant & Equipments	6,823.53	6,613.17
k)	Capital Work In Progress	723.30	66.77
l)	Intangible Assets	91.63	51.42
m)	Financial Assets (Current and Non-Current)		
	Investment	11.92	11.92
	Trade Receivables	44,933.38	49,211.98
	Loans	657.76	599.32 <sup>#</sup>
	Cash and Bank Balance	71,331.65	63,164.61
	Other Financial Assets (Excluding Bank Balance)	5,824.19	6,006.55 <sup>#</sup>
n)	Other Assets (Current and Non-Current)	24,258.87	19,650.97
o)	Financial Liabilities (Current and Non-Current)		
	Trade Payables	19,277.08	19,587.66
	Other Financial Liabilities (Current and Non-Current)	38,848.65	37,810.28
p)	Other Liabilities (Current and Non-Current)	22,882.40	16,761.95
q)	Provisions (Current and Non-Current)	35,355.55	34,108.06
r)	Net Worth	43,175.40	41,805.55
s)	Share Capital	4,013.84	4,013.84
t)	Capital Employed	28,751.50	28,668.42

<sup>#</sup> Regrouped due to implementation of Notification dated 24.03.2021 issued by Ministry of Corporate Affairs ("MCA").



## 6. HUMAN RESOURCE DEVELOPMENT

Your Company, being an engineering, Consultancy and contracting organization is mainly dependent on its Human Resource Capital, which is the most vital asset.

Cat./Group	Man-power as on 31 <sup>st</sup> March 2022	SC	ST	Women
Executive	1016	223	57	82
Non-executive (Unionised)	112	17	51	20
<b>Total</b>	<b>1128</b>	<b>240</b>	<b>108</b>	<b>102</b>

## 7. CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per Section-135 of the Companies Act, 2013, Average Net Profit of your Company for the preceding three financial years (i.e. FYs 2018-19, 2019-20 & 2020-21) was Rs. 3,868.96 Lakhs. Thus, as per the Act, 2% of Average Net Profit i.e. Rs. 77.38 Lakhs was allocated as CSR Fund for FY 2021-22.

Your Company has taken a forward step in line with DPE's common theme – 'Health & Nutrition, with Special Focus on COVID related measures including Setting-up Makeshift Hospitals and Temporary COVID Care facilities' and took-up the projects in Adopted Villages / Other places of Ranchi & Khunti districts of Jharkhand, which are the Aspirational Districts (As identified by NITI Aayog).

In addition, as per the request from Government of Jharkhand, your Company has made a Contribution to "Jharkhand State Disaster Mitigation Fund" to fight COVID-19 pandemic.

Your Company has organized "Healthcare & Nutritional Supplementation programmes", on Monthly basis during the time of COVID-19 pandemic also for poor/down-trodden/needy children of Adopted villages of Ranchi & Khunti districts; Outreach children of Township School, Ranchi.

The various projects / activities undertaken under its CSR Policy during FY 2021-22 from the total available CSR fund of Rs. 295.20 Lakhs {Rs. 167.00 Lakhs Unspent (Carry-over) fund (with respect to the Projects commenced Prior to 1st April, 2020) + Rs. 50.82 Lakhs Unspent (Carry-over) fund of FY 2020-21 + Rs. 77.38 Lakhs of allocated fund for FY 2021-22} are given in Annexure- I & II of Appendix - 2 of the Director's Report.

The Management of your Company always lays thrust upon timely completion of the CSR projects / activities so that its benefit is passed on to the end user.

## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY

The Company's philosophy on Corporate Governance has been to ensure protection of stakeholders' interest through transparency, full disclosures, empowerment of employees and collective decision making. The Corporate Governance practice in the Company is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values that governs relationship with all its stakeholders and attaining maximum level of enrichment of the enterprise. Your Company lays emphasis on enhancing the value of all those who are associated with the Company viz. Shareholders, Customers, Vendors, Government of India, various State Governments, other Government Agencies/ Departments and the society at large.

### 2. COMPOSITION OF THE BOARD OF DIRECTORS

The Articles of Association (AoA) of the Company stipulate that the number of Directors shall not be less than five and not more than thirteen. Your Company being a Government Company within the meaning of Section 2(45) of the Companies Act, 2013 ('Act'), appointment of all Directors is done by the President of India through the administrative Ministry i.e. Ministry of Steel, Government of India. The Chairman and Managing Director (CMD) and other Whole- time Directors are appointed for a period of five years or till the age of superannuation or until further orders, whichever is earlier. The terms and conditions of appointment of whole time directors including CMD is decided by the Government of India. Government Nominee Directors continue on the Board at the discretion of the nominating authority or till ceasing to be officials of such nominating authority. Independent Directors are usually appointed for a period of three years.

The composition of the Board is as per DPE Guidelines on Corporate Governance. The incumbency position of Directors as on 31.03.2022 vis-à-vis sanctioned post in the Company is as follows:-

Sl.	Category of Director	Sanctioned Strength	Actual position
1	Whole time Directors including CMD*	5	4
2	Government Nominee Directors	2	2
3	Independent Directors	3	1
	<b>Total</b>	<b>10</b>	<b>07</b>

(\*) Currently, the post of CMD is being held by Shri Salil Kumar, Director (Projects) of the Company as an additional charge w.e.f 13.09.2021.

The composition of the Board of MECON as on 31.03.2022 is as follows :-

<b>Whole time Directors</b>	Shri Salil Kumar, CMD (Addl. Charge) & Director (Projects)
	Shri R.H. Juneja, Director (Finance)
	Shri S. K. Verma, Director (Commercial)
	Shri A.K. Agrawal, Director (Technical)
<b>Government Nominee Directors</b>	Smt. Rasika Chaube
	Smt. Sukriti Likhi, IAS
<b>Independent Director</b>	Smt. Manju Chandra

#### 2.1 Remuneration / Compensation to Board of Directors:

The CMD and whole-time Directors are paid monthly remuneration as fixed by the Government of India. Government Directors are not paid any remuneration. The Independent Directors are paid sitting fees for

attending the Board and Board level Committee Meetings. Currently w.e.f 25.08.2021, ₹20,000/- is being paid as sitting fee for attending the Board Meeting and ₹15,000/- for attending Board level Committee meetings. Additionally, Company bears all the expenditure of Directors for attending the meetings.

The details of sitting fees paid to Independent Director during the FY 2021-22 is as follows:-

Name of Director	Sitting Fees (₹)		Total (₹)
	Board Meetings	Board level Committee Meetings	
Shri Deepak Krishan	95,000/-	50,000/-	1,45,000/-
Smt. Manju Chandra	1,55,000/-	70,000/-	2,25,000/-
Shri Sudipta Guha*	20,000/-	NA	20,000/-

(\* ) Shri Guha was appointed as Independent Director of MECON by the Government of India on 01.11.2021. However, he resigned from the directorship on 03.12.2021. During the said period, only one Board Meeting was convened which was attended by him. Further, he was not nominated by the Board in any of the Board level Committees of the Company.

### 3. BOARD MEETINGS

The Board meets statutorily and also as many times as may be warranted. The Board Meetings of the Company are convened as per the requirement of Companies Act, 2013.

During the year under review, Eight (8) Board Meetings were convened; the details of which are as follows:-

Date of Meeting	Board Strength	Number of Directors Present
29.07.2021	9	9
25.08.2021	9	9
30.09.2021	8	8
27.10.2021	8	8
22.11.2021	9	9
03.01.2022	7	7
14.02.2022	7	7
24.03.2022	7	7

Attendance of each Director at the Board Meeting during the FY 2021-22 is as follows :-

Name of Directors & Designation	Number of Meetings held	Number of Meetings attended
Shri Atul Bhatt , CMD (upto 13.09.2021)	02	02
Shri Salil Kumar, CMD (Addl. Charge) & Director (Projects)	08	08
Shri R.H. Juneja, Director (Finance)	08	08
Shri S. K. Verma, Director (Commercial)	08	08
Shri A.K. Agrawal, Director (Technical)	08	08
Smt. Rasika Chaube, Government Director	08	08
Smt. Sukriti Likhi, IAS, Government Director	08	08
Shri Deepak Krishan, Independent Director (upto 13.12.2021)	05	05
Smt. Manju Chandra, Independent Director	08	08
Shri Sudipta Guha, Independent Director (from 01.11.2021 to 03.12.2021)	01	01

#### 4. BOARD LEVEL COMMITTEES

There are three Board level Committees which were functional in the Company as on 31.03.2022; details of which are as follows :-

##### 4.1 Audit Committee

##### 4.2 Nomination and Remuneration Committee

##### 4.3 Corporate Social Responsibility Committee

Your Company has only one Independent Director on its Board effective from 13.12.2021. In view of this, Board level Committees have been reconstituted with Independent Director along with mix of Government Directors and Whole time Directors for functioning of the Committees.

##### 4.1 Audit Committee

The roles and responsibilities of the Audit Committee are as per Section 177 of the Companies Act, 2013 and Guidelines on Corporate Governance issued by the Department of Public Enterprises. Currently, the Company has only one Independent Director and in order to enable the Audit Committee to function, the Committee has been reconstituted by inducting one Independent Director, two Government Directors and one Whole time Director. The Chairperson of the Committee is an Independent Director. Further, Director (Finance) and Chairman and Managing Director of the Company are permanent invitees for the Audit Committee Meetings.

The latest reconstituted Audit Committee as approved by the Board in its meeting held on 03.01.2022 is as follows:-

Name of Directors	Status in Committee
Smt. Manju Chandra, Independent Director	Chairperson
Smt. Rasika Chaube, Government Director	Member
Smt. Sukriti Likhi, IAS Government Director	Member
Shri S. K. Verma, Director (Commercial)	Member

During the year under review, Three (03) Meetings were held; the details of which are given below:

Date of Meeting	Member's Strength	No. of Members Present
18.08.2021	03	02
10.12.2021	03	03
14.02.2022	04	04

Attendance of the Directors in the Audit Committee Meeting during the FY 2021-22 is as follows:-

Name of Directors	Number of Meetings held	Number of Meetings attended
Shri Deepak Krishan, Chairman (upto 13.12.2021)	02	02
Smt. Manju Chandra, Member (then Chairperson w.e.f 03.01.2022)	03	02
Shri R.H. Juneja, Member (upto 03.01.2022)	02	02
Smt. Rasika Chaube, Member (w.e.f. 03.01.2022)	01	01
Smt. Sukriti Likhi, Member (w.e.f. 03.01.2022)	01	01
Shri S. K. Verma, Member (w.e.f. 03.01.2022)	01	01

#### 4.2 Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) is in place in line with the requirement of Section 178 of the Companies Act, 2013 and Guidelines on Corporate Governance issued by Department of Public Enterprises (DPE). The terms of reference to NRC is as provided under DPE Guidelines on Corporate Governance and Section 178 of the Companies Act, 2013 except to the extent of exemptions granted to Government Companies. The Chairperson of the NRC is an Independent Director.

During the year under review, one meeting of NRC has been carried out on 23.09.2021 which was attended by all the members of the Committee. The latest reconstituted NRC as approved by the Board in its meeting held on 03.01.2022 is as follows:

Name of Directors	Status in Committee
Smt. Manju Chandra, Independent Director	Chairperson
Smt. Rasika Chaube, Government Director	Member
Shri Salil Kumar, CMD (Addl. Charge) & Director (Projects)	Member

#### 4.3 Corporate Social Responsibility Committee

The Board has constituted a Corporate Social Responsibility (CSR) Committee as required under Section 135 of the Companies Act, 2013. The terms of reference of the Committee is as per the requirement of Section 135 of the Companies Act, 2013 read with Companies (CSR Policy) Rules, 2014 and Government Guidelines issued on CSR from time to time. The Chairperson of the CSR Committee is an Independent Director.

The latest reconstituted CSR Committee as approved by the Board in its meeting held on 03.01.2022 is as follows:

Name of Directors	Status in Committee
Smt. Manju Chandra, Independent Director	Chairperson
Shri R.H. Juneja, Director (Finance)	Member
Shri S. K. Verma, Director (Commercial)	Member

During the year under review, two meeting were held, the details of which are given below:

Date of Meeting	Member's Strength	No. of Members Present
29.07.2021	03	03
24.03.2022	03	03

Attendance of the Directors in the CSR Committee during the FY 2021-22 is as follows:-

Name of Directors	Number of Meetings held	Number of Meetings attended
Smt. Manju Chandra, Chairperson	02	02
Shri. Deepak Krishan, Member (upto 13.12.2021)	01	01
Shri. R.H. Juneja, Member	02	02
Shri. S. K. Verma, Member (w.e.f. 03.01.2022)	01	01

#### 5. SEPARATE MEETING OF INDEPENDENT DIRECTORS

At present, your Company has only one Independent Director on its Board. During the initial period of the FY 2021-22, no meetings were convened due to outbreak of second wave of COVID- 19 pandemic which impacted the affairs of the Company. Thereafter, as the second wave eased out, the tenure of appointment of Shri Deepak Krishan ended w.e.f. 13.12.2021. MECON, being a Government Company, the appointment of all directors including Independent Directors is made by the Government of India. Shri Sudipta Guha was

appointed as Independent Director on 01.11.2021 but he resigned from the directorship on 03.12.2021. Accordingly, Company could not manage to convene one Separate Meeting of Independent Director during the Financial Year 2021-22. However, during the last financial year, Company did convene one Separate Meeting of Independent Directors on 16.02.2021 which was attended by all the Independent Directors without the presence of any non- Independent Directors and members of management.

## 6. GENERAL MEETING

### 6.1 Annual General Meeting

The Annual General Meeting (AGM) of the Company is convened as per Section 96 of the Companies Act, 2013. Generally, ordinary businesses as prescribed under Section 102(2) of the Companies Act, 2013 are considered in the AGM of the Company. During the year under review, AGM was carried out by giving shorter notice in compliance with the requirement of proviso to Section 101(1) of the Companies Act, 2013.

The details of last three Annual General Meeting (AGM) of the Company are as follows:-

Year	Date	Time	Venue
2018-19	30.09.2019	02.10 P.M	OULDH Conference Hall, Hotel Ashok, Chanakyapuri, New Delhi.
2019-20	04.12.2020	03.00 PM	CMD Conference Room, 1st Floor, MECON Limited, Doranda, Ranchi- 834 002
2020-21	30.10.2021	12.00 Noon	OULDH Conference Hall, Hotel Ashok, Chanakyapuri, New Delhi

### 6.2 Extra-ordinary General Meeting

During the year under review, Company did not convene any extra-ordinary general meeting as there was no 'special business' as prescribed under Section 102(2) of the Companies Act, 2013.

## 7. OTHER DISCLOSURES

### 7.1 Shareholding pattern

Your Company is a Government Company within the meaning of Section 2(45) of the Companies Act, 2013. The total paid up equity share capital of the Company is held in the name of the President of India. Further, Chairman and Managing Director and one Government Director of the Company are nominated as the nominee shareholder of the President of India.

### 7.2 Related party transactions

There are no materially significant related party transactions with Directors having potential conflict with the interest of Company at large. There is no relationship *inter-se* among these Directors. The disclosure on Related Party Transaction as per the requirement of Indian Accounting Standard- 24 is disclosed under **Note 42.10** of the Financial Statement.

### 7.3 Disclosure of accounting treatment

All applicable Indian Accounting Standards issued by the Institute of Chartered Accountants of India are being followed in the preparation of financial statements. The Significant Accounting Policy of the Company is disclosed under **Note 2** of the Financial Statement.

### 7.4 Code of Conduct

The Board of Directors has laid down Code of Business Conduct and Ethics for Board Members and Senior Management personnel of the Company in line with the requirement of Clause 3.4 of the Guidelines on Corporate Governance issued by DPE. The purpose of the Code is to enhance further ethical and transparent process in managing the affairs of the Company. The Code is displayed on the website of the Company. All Board Members and senior management officials have affirmed to the said Code.

### 7.5 Compliance of Corporate Governance Guidelines

The Company complies with the Guidelines on Corporate Governance issued by DPE on a quarterly basis. The said quarterly compliance report is being submitted with the Ministry of Steel, Govt. of India disclosing the total details of compliance made by the Company. Further, Annual Compliance Report is also being submitted with the Ministry of Steel, Govt. of India. Every year the Company is being rated Excellent in compliance score by the Government of India.

A certificate on Compliance of conditions of Corporate Governance, duly certified by the Statutory Auditors in terms of the DPE Corporate Governance Guidelines forms part of this report.

### 7.6 Means of communication

The Annual Report for the FY 2021-22 is circulated to the shareholders for communicating the performance of the Company during the reported period. Moreover, Annual Reports of the Company from FY. 2011-12 is available on the website of the Company [www.meconlimited.co.in](http://www.meconlimited.co.in) in English and bi-lingual version.

### 7.7 Training of Board Members

Directors are being nominated, as and when required for the training programme in accordance with the business model of the Company as well as risk profile of the business parameters of the Company, their responsibilities as Directors and the best way to discharge the same being organised by DPE, SCOPE and other Government / Non-Government reputed Institutions.

### 7.8 Whistle Blower Policy

Your Company has implemented the Whistle Blower Policy in accordance with the requirement of Section 177(9) of the Companies Act, 2013 and the same is uploaded on the website of the Company. The policy provides vigil mechanism guideline to ensure greater transparency in all aspects of the Company's functioning. It is also affirmed that no employee has been denied access to the Audit Committee.

## **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

**To**  
**The Members**  
**MECON Limited**

We have examined the compliance of Guidelines on Corporate Governance for Central Public Sector Enterprise, 2010 issued by DPE.

The compliance of Guidelines on Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the Guidelines on Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us by the management, we certify that, except the Composition of the Board of Directors with regard to Independent Directors & Composition of its Statutory Committee(s) viz. Audit Committee and Remuneration Committee with regard to Independent Directors, the Company has complied with the Guidelines on Corporate Governance as stipulated in DPE guidelines.

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 Anjali Jain and Associates  
Chartered Accountants  
Firm's Reg. No. : 003247C

Sd/-

CA Arpit Jain  
Partner  
Membership No. : 417169

Place: Ranchi  
Date:12.09.2022  
UDIN:22417169ARWSPF2113



## INDEPENDENT AUDITORS' REPORT

To,

**The Members of MECON Limited**

**Report on the Audit of the Standalone Financial Statements.**

### Opinion

We have audited the accompanying Standalone Financial Statements of MECON LIMITED ("the Company") which comprises the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for year ended, and Notes to the Financial Statements, including a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standard prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rule, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the State of Affairs of the Company as at 31st March, 2022, the Profit, Total Comprehensive Income, Changes in Equity and its Cash Flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Standalone 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 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 (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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 Financial Statements.

### Emphasis of Matters

We draw attention to the following matters in the notes to the Standalone Financial Statements:

- a) Note no. 42.22 with respect to appeal filed by the company with the Hon'ble Principal District Court, Cuddalore in the matter related to recovery of advance against the bank guarantee.
- b) The balance confirmation of Trade Receivables as on 31st March, 2022 is still awaited. Our opinion is not modified in respect of these matters.

### Key Audit Matters

Key Audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our reports.

Sl. No.	Key Audit Matters	Audit Response on Key Audit Matter
	<p><b>Recognition and Measurement of revenue</b></p> <p>The revenue standard establishes a comprehensive framework for determining whether, how much and when revenue should be recognized. This involves certain key judgments relating to identification of distinct performance obligations, determination of the transaction price, allocation of the transaction price to identified performance obligations, and the appropriateness of the revenue recognition methodology. Additionally, the standard mandates robust disclosures in respect of revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p>Refer: Notes 2(8) to the Standalone Financial Statement of Accounting Policy on Revenue Recognition.</p>	<p>Our audit procedures on adoption of Ind AS 115, Revenue from contracts with Customers ('Ind AS 115'), the standard on revenue recognition, include the following –</p> <ul style="list-style-type: none"> <li>• Evaluated the design and implementation of the processes and internal controls relating to implementation of the new revenue recognition standard.</li> <li>• Evaluated the detailed analysis performed by management across revenue streams by selecting samples for the existing contracts with customers and verified the appropriateness of identification of distinct performance obligations, determination of the transaction price, allocation of the transaction price to identified performance obligations and the appropriateness of the revenue recognition methodology.</li> <li>• Evaluated the appropriateness of the accounting policy and disclosures provided under the new revenue standard and assessed the completeness and mathematical accuracy of the relevant disclosures.</li> </ul>

#### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

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 Report, Board's Report including annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholders Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone 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 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.

#### Responsibility of Management and those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, Total Comprehensive Income, 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 Companies Act, 2013 ("the Act") read with the relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting

records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the 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.

The Board of Directors is also responsible for overseeing the company's financial reporting process.

#### Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Financial Statements.

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

- Identify and assess the risks of material misstatement of the Standalone 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 control 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 ability of the Company 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 Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone

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 Financial Statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone 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.

#### Report on Other Legal and Regulatory Requirements

1. 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" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(5) of the Act, the Comptroller and Auditor General of India Issued Directions and sub-directions. We give our comment thereon vide 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, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under.
  - e. In terms of Govt. of India, Department of Companies Affairs Notification No. GSR 463(E) dated 5<sup>th</sup> June 2015, Govt. Company is exempt from applicability of provision of section 164(2) of the Companies Act 2013.
  - f. In terms of Govt. of India, Department of Companies Affairs Notification No. GSR 463(E) dated 5<sup>th</sup> June 2015, Govt. Company is exempt from applicability of provision of section 197(16) of the Companies Act 2013.
  - g. 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".
  - 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 (as amended), 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 financial statements - Refer Note 40.1 to the standalone financial statements.

- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses if any, on long-term contracts and the Company did not have any derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the 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(s) or entity(ies), including foreign entities ("Intermediaries"), 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(s) or entity(ies), including foreign entities ("Funding Parties"), 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; and  
(c) Based on such 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 iv(a) and iv(b), contain any material mis-statement.

For Anjali Jain & Associates  
Chartered Accountants  
Firm Registration No: 003247C

Sd/-  
CA Arpit Jain  
(Partner)  
M.No. 417169  
UDIN: 22417169AOBNKN7214

Date: 02.08.2022

Place: Ranchi

## “Annexure A” to the Independent Auditors’ report of even date on Standalone Financial Statements of MECON LIMITED (Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section)

(i) In respect of its Property, Plant and Equipment and Intangible Assets:

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of its Property, Plant and Equipment (including Right-of-Use Asset) except in respect of some cases wherein the Property, Plant and Equipment register and records are in the process of updation.
- b) The Company has maintained proper records showing full particulars of Intangible Assets.
- c) The Property, Plant and Equipment of the Company have been physically verified by the management. In our opinion, the period of verification is reasonable having regard to the size of the company and the nature of its business.
- d) The title deeds of all the Immovable Properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company, except the following:

Description of property	Gross carrying value (Rs. In Lakhs)	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
10.25 acres of land for Administrative Building at HO, Ranchi	2.69	Government of Jharkhand	No	25.10.1962	Deed of conveyance is pending for execution by the Government of Jharkhand.
Office Space/Building at Scope Minar, Laxmi Nagar, New Delhi (13 <sup>th</sup> & 15 <sup>th</sup> Floor)	1193.30	SCOPE	No	23.12.2004	The office building at Scope Minar, Delhi has been acquired on contribution basis without ownership.

- e) The company has not revalued its Property, Plant and Equipment (including Right-of -Use assets) or intangible assets or both during the year.
- f) There are no proceedings initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made there under.

(ii) In respect of physical verification of Inventory:

- a) The inventories have been physically verified by the management during the year. In our opinion and according to the information and explanations given to us, the procedure for physical verification of inventories followed by the management are generally reasonable and adequate in relation to the size of the company and the nature of its business. No material discrepancies have been noticed on verification between the physical stocks and the book records.
- b) According to the information given to us, the company has been sanctioned bank overdraft facilities in excess of five crore rupees, in aggregate, from banks on the basis of security of fixed deposits with the respective banks which are in agreement with the books of accounts of the Company.

- (iii) In our opinion and according to the information and explanations given to us, the company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties under Section 189 of the Companies Act, 2013 and hence clause (a) to (b) is not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not given any loans and guarantees and not made any investments in respect of Section 185 & 186 of the Companies Act 2013.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any public deposits during the year hence clause (v) is not applicable to the Company. Accordingly, the directives issued by the RBI and provisions of Sections 73 to 76 or any other relevant provisions of the Act and rules framed there under are not applicable.
- (vi) According to the information given to us, the Central Government has not prescribed maintenance of cost records under section 148(1) of the Act.
- (vii) According to the information and explanations given to us in respect of statutory and other dues:
- The Company has generally been regular in depositing undisputed statutory dues, in respect of Provident Fund, Employee's State Insurance, Income-tax, Goods & Service Tax, Customs duty, Excise Duty, Cess and other material Statutory dues with the appropriate authorities. There are no undisputed statutory dues outstanding for a period of more than six months from the date they became payable, as per books of accounts as at 31st March, 2022.
  - According to the information and explanations given to us, there are disputed statutory dues, which have not been deposited as at 31st March, 2022, as given herein below:

Name of the Statute	Period to which relates	Forum	Amount (Rs. In Lakhs)
Central Sales Tax Act & Sales Tax Acts of various states	1999-2000	STAT, Andhra Pradesh.	4.41
	2000-2001	STAT, Andhra Pradesh	101.40
	2001-2002	Andhra Pradesh. High Court	450.88
	1995-1996	Commissioner of Commercial Taxes, Ranchi	258.12
	1999-2000	Commissioner of Commercial Taxes, Ranchi	24.51
	2001-2002	Commissioner of Commercial Taxes, Ranchi	49.47
	2002-2003	Commissioner of Commercial Taxes, Ranchi	106.62
	2009-2010	Jharkhand Commercial Tax Tribunal	27.66
	1993-1994, 1994-1995 & 1996-1997	JCCT(Appeal), Dhanbad	0.67
	2005-2006	Commissioner of Commercial Taxes, Ranchi	78.50
	1996-1997	Joint Commissioner of Comm. Taxes, (Appeal), Jamshedpur	1.92
	*1994-1995	Jharkhand Sales Tax Tribunal	219.10
	*2003-2004	Addl. Commissioner, Kolkata	16.47
	2006-2007	Jharkhand Commercial Tax Tribunal (Appeal)	9.76
	2007-2008	Jharkhand Commercial Tax, Tribunal(Appeal)	26.16
	2010-2011	Commissioner of Commercial Taxes, Ranchi	217.29
	2011-2012	Commissioner of Commercial Taxes, Ranchi	535.81
	2011-2012	Commissioner of Commercial Taxes, Ranchi	0.02
1997-1998	Commissioner of Sales Tax, Cuttack	46.51	
2013-2014	Jt. Commissioner (Appeal), Durg	0.31	

Name of the Statute	Period to which relates	Forum	Amount (Rs. In Lakhs)
Central Sales Tax Act & Sales Tax Acts of various states	2014-2015	Sales Tax Appellate Tribunal, Raipur	12.29
	2016-2017	JCCT (Appeal), Ranchi Division	26.14
	2016-2017	JCCT (Appeal), Ranchi Division	18.62
Central Excise Act, 1944	2018-2019	CESTAT, Kolkata	200.00
Service Tax	2018-2019	Commissioner Appeal, CGST Central Excise Ranchi	30.65
Employees Provident Fund and Misc. Provisions Act 1952	2003-2004	EPF, Appellate Tribunal, New Delhi	229.70
Income Tax Act	2000-2001	Income Tax Appellate Tribunal, Ranchi	178.17
	2002-2003	CIT (A), Ranchi	105.54
	2010-2011	CIT (A), Ranchi	79.42
	2011-2012	CIT (A), Ranchi	96.32
	2012-2013	Income Tax Appellate Tribunal, Ranchi	116.35
	2013-2014	Income Tax Appellate Tribunal, Ranchi	205.80

Out of the above income tax dispute of Rs. 781.60 lakhs consisting of Rs. 497.89 lakhs have already been adjusted against refund.

Out of the above disputed statutory dues, in the two cases marked\*, provision has been made in the books of accounts under “Provision for Disputed cases –sales tax matter.”

It is also informed that the company has deposited Rs. 465.80 Lakhs towards the statutory disputed cases, out of which Rs. 214.70 Lakhs pertain to the statutory disputed cases listed above. The Balance Rs. 251.10 Lakhs relates to disputed cases which have been set aside by the authorities.

- (viii) There are no instances of any transactions not recorded in the Books of Account that have been surrendered or disclosed as income during the year in tax assessments under Income Tax Act, 1961.
- (ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders during the year.
- (b) The company has not been declared willful defaulter by any bank or financial institutions or other lender.
- Clause No. (ix) (c) to (ix)(f) are not applicable to the company.
- (x) (a) According to the information and explanations given by the management and the audit procedures performed, the company has not raised moneys raised by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) According to the information and explanations given by the management and the audit procedures performed, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- (xi) (a) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud by the company or any fraud on the company by its officers and employees has been noticed or reported during the year.
- (b) No report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.



- (c) According to the information and explanations given to us by the management, no whistle-blower complaints had been received by the company.
- (xii) In our opinion and according to the information and explanations given to us, the company is not a Nidhi Company. Therefore, the provisions of Clause (xii) (b) and (c) of the Order are not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 & 188 of the Act and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) (a) According to the information and explanations given by the management and the audit procedures performed, the company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditors for the period under audit were considered by the statutory auditor.
- (xv) According to the information and explanations given to us and based upon the audit procedure performed, the company has not entered into any non-cash transactions with the directors or persons connected with him.
- (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 accordingly, the provisions of Clause (xvi) (b) to (d) of the Order are not applicable to the Company.
- (xvii) The company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) According to the information and explanations given to us, there has not been any resignation of the statutory auditors during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) (a) According to the information and explanations given to us, the company has transferred unspent amount in respect of other than ongoing projects to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.
- (b) According to the information and explanations given to us, the company has transferred amount remaining unspent, pursuant to any ongoing project, within a period of thirty days of the expiry of the financial year in compliance with the provision of sub-section (6) of section 135 of the said Act.
- (xxi) According to the information and explanations given to us, this clause is not applicable.

For Anjali Jain & Associates  
Chartered Accountants  
Firm Registration No: 003247C

Sd/-  
CA Arpit Jain  
(Partner)  
M. No. 417169  
UDIN: 22417169A0BNKN7214

Date:02.08.2022  
Place: Ranchi

## “Annexure B” to the Independent Auditors’ Report of even date on Standalone Financial Statements of MECON LIMITED for the year 2021-22.

Directions under section 143(5) of Companies Act, 2013 Referred to in paragraph 2 of our report

Sl. No.	Question	Reply
1.	<p>Whether the Company has system in place to process all the accounting transactions through IT system?</p> <p>If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.</p>	<p>As per the information and explanations given to us, the Company has a system in place to process all the accounting transactions through IT system.</p> <p>The main area covered are financial accounting, payroll, sales, GST, job progress report.</p> <p>Based on the audit procedures carried out and as per the information and explanations given to us, no accounting transactions have been processed/ carried outside the IT system. Accordingly, there are no implications on the integrity of the accounts.</p>
2.	<p>Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the company due to the company’s inability to repay the loan?</p> <p>If yes, the financial impact may be stated. Whether such cases are properly accounted for?</p>	<p>Based on the audit procedures carried out and as per the information and explanations given to us, there was no restructuring of existing loans or cases of waiver/write off of debts/ loans/interest etc. made by the lender to the company due to the company’s inability to repay the loan.</p>
3.	<p>Whether funds (grants/subsidy etc.) received/ receivable for specific schemes from Central/ State Government or its agencies were properly accounted for/ utilized as per its term and conditions?</p> <p>List the cases of deviation.</p>	<p>Based on the audit procedures carried out and as per the information and explanations given to us, the funds received/receivable for specific schemes from Central/State agencies were properly accounted for/ utilized as per the respective terms and conditions.</p>

## **“Annexure C” to the Independent Auditors’ report of even date on Standalone Financial Statements of MECON LIMITED.**

Report on Internal Financial Controls over financial reporting 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 MECON LIMITED (“the company”) as of 31st March, 2022 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

The company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **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”) and the Standards on Auditing, issued by ICAI and prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial control 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 standalone financial statement 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 standalone 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 standalone financial statements.

#### 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 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 31st March, 2022, based on the internal controls 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.

For Anjali Jain & Associates  
Chartered Accountants

Sd/-  
CA Arpit Jain  
(Partner)  
M. No. 417169  
UDIN: 22417169AOBNKN7214

Date : 02.08.2022

Place : Ranchi

## COMMENTS OF C&AG

### MANAGEMENT'S REPLIES TO THE COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF MECON LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

The preparation of financial statements of MECON Limited for the year ended 31 March 2022 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 02 August 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of MECON Limited for the year ended 31 March 2022 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 inquires of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under Section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

Comments	Management's Replies
<b>A. Comment on Financial Position</b>	
<b>Balance Sheet</b>	
<p>1. Other Current Assets (Note 20) : ₹10413.88 lakh</p> <p>Advance to Suppliers: ₹826.68 lakh</p> <p>Above includes an amount of ₹756.86 lakh in respect of advance given to M/s Mysore Construction Company (MCC) during the period of project execution from FY 2007-08 to 2008-09 against Bank Guarantee (BG) with a condition to deduct the advance proportionately from subsequent bills of MCC. Civil work assigned to MCC was completed on 31.01.2013 but the advances were not deducted by MECON from MCC's bills because of mutual understanding between them. MECON attempted to encash the BG in December 2016, however Hon'ble Principal District Court, Cuddalore passed an interim injunction order against encashment of BG and instructed the bank not to release bank guarantee and keep the same in existence till disposal of the petition sought by MCC. Presently, the decision of the Court in respect of encashment of bank guarantees is awaited, MECON could not encash the BG till date.</p>	<p>MECON had placed work order no. 7721 dated 23.03.2006 on M/s. Mysore Construction Co. (MCC) (now known as MYCON Construction Limited) for execution of civil works for Lignite Handling System, TPS II Expansion project, NLC, Neyveli. To realize outstanding dues from MCC, MECON invoked 14 bank guarantees worth ₹9.22 Crores submitted by M/s. Mysore Construction Co. well within their validity period.</p> <p>MCC filed petition (Arb. O.P. 177/2016) at Cuddalore District Court under Section 9 of the Arbitration &amp; Conciliation Act 1996 seeking injunction against encashment of the bank guarantees sought by MECON. The Hon'ble District Court passed an interim injunction order on 23.12.2016 injuncting MECON from encashing the bank guarantees. M/s MCC committed to the court that they would not release their bank guarantee and would keep the same in existence till the disposal of the petition.</p>

Comments	Management's Replies
<p>In view of the above, the advance cannot be claimed to be secured and provision for the same should have been made in the books of account under 'Provision for bad and doubtful debts' as provided in the Finance Manual 2017 (Para 10.2.6.2) of the company.</p> <p>Thus, non-provision of above has resulted into overstatement of Other Current Assets and Profit by ₹756.86 lakh.</p>	<p>MCC filed petition (Arb. OP 211/2017) in Madras High Court praying for appointment of arbitrator for conducting arbitration proceedings against MECON under Section 11(6) of Arbitration &amp; Conciliation Act 1996. The petition was quashed by the Hon'ble Madras High Court and verdict of the Hon'ble Madras High Court was upheld by the Supreme Court, vide its order dated 02.11.2017.</p> <p>M/s MCC filed a suit, OS No. 133/2017 in November, 2017 in the court of Principal District Judge, Cuddalore, and also filed an IA No. 423/2017 therein seeking a permanent injunction against invocation of the Bank Guarantees in question.</p> <p>MECON has filed its reply to the IA, contesting the prayer of M/s MCC, and prayed the court to pass order for allowing encashment of all the concerned 14 bank guarantees.</p> <p>The matter is constantly on the list of the court and the next hearing is scheduled on 20.10.2022. Hearing in the matter was somewhat delayed in the interim on account of delayed hearings in court due to effect of COVID-19 pandemic.</p> <p>As permanent injunction against invocation of bank guarantees has not been granted by the court, the amount of advance is still covered by collateral security in the form of bank guarantees. The court has not passed any adverse order against MECON and having lodged our claim well within validity period of the bank guarantees, the claim for remittance of money against the bank guarantees is protected as on date.</p> <p>Therefore, advance of ₹756.86 lakhs is still covered by the valid bank guarantees and the advance has been accordingly treated as secured. Thus, creation of provision is not required.</p> <p>Therefore, the company has correctly booked advance to MCC under other current assets and there is no overstatement of other current assets and profit.</p>
<b>B. Comments on Disclosure</b>	
<p>1. Contingent Liabilities and Comments (Note 40)</p> <p>Above does not include the amount of Rs. 496.24 lakh (including interest) in respect of M/s Rosy enterprises arising out of MSME order dated 24.09.2020. Company has filed an appeal (25.03.2022) in this matter and have submitted 75 per cent of the ordered amount i.e., Rs. 372.18 lakh including the interest as on date of submission 25.03.2022.</p>	<p>Work order no. 11.51A22P/ERN-P&amp;E/SE-752/8534E dated 14.01.2010 was placed on consortium of M/s KCS Pvt. Ltd., Rourkela and M/s Rosy Enterprises Pvt. Limited, Rourkela for erection, testing and commissioning of mechanical plant and equipment, refractory building structures, technological structures, casting, piping including supply of auxiliary materials, CGI-sheeting etc. and unloading, storage and handling of materials at site required for COB-6, RSP, Rourkela.</p>

Comments	Management's Replies
<p>Audit noted that since MSME has awarded the order against MECON, same should have been shown as contingent liabilities in the books of account.</p> <p>Non-disclosure of above under contingent liabilities has resulted into understatement of Contingent Liabilities by Rs. 496.24 lakh.</p>	<p>M/s Rosy Enterprises Pvt. Ltd. submitted claims for ₹297.12 lakhs without fulfillment of all contractual obligations and the claim was not accepted by MECON. The contractor filed an application to Micro and Small Enterprises Facilitation Council (MSEFC) against non-payment of claimed amount by MECON. The MSEFC awarded principal amount of ₹297.12 lakhs and interest of ₹64.52 lakhs without examining truthfulness of MSE status of the contractor, without considering terms and conditions of the contract, without holding conciliation proceedings between both the parties and without entertaining detailed application filed by MECON on 18.10.2019. The award of MSEFC was issued by non-adherence of the procedures established by law and hence MECON treated the award as null and void and accordingly challenged the same before the District and Session Judge, Cuttack on 15.01.2021.</p> <p>Further, as per para 28 of Ind AS 37 "A contingent liability is disclosed, as required by paragraph 86, unless the possibility of an outflow of resources embodying economic benefits is remote."</p> <p>Hence, possibility of an outflow of resources embodying economic benefits was remote.</p> <p>In view of the above, the amount was not disclosed as contingent liability.</p> <p>However, the matter shall be reviewed and considered accordingly in financial year 2022-23.</p>
<p>For and on the behalf of Comptroller &amp; Auditor General of India</p> <p>Sd/- (U.S. Prasad) Director General of Audit (Steel)</p> <p>Place: Ranchi Date: 03.10.2022</p>	<p>For and on behalf of Board of Directors</p> <p>Sd/- (SALIL KUMAR) Chairman and Managing Director (Additional Charge)</p> <p>Place: Ranchi Date: 06.10.2022</p>

## BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2022

(₹ in lakhs)

PARTICULARS	NOTE NO.	AS AT 31.03.2022		AS AT 31.03.2021	
<b>I. ASSETS</b>					
<b>(1) Non-Current Assets</b>					
(a) Property, Plant and Equipment	3		6,823.53		6,613.17
(b) Capital Work-in-Progress	4		723.30		66.77
(c) Investment Property					
(d) Other Intangible Assets	5		91.63		51.42
(e) Intangible Assets under Development					
(f) Financial Assets					
(i) Investments	6		11.92		11.92
(ii) Trade Receivables	7		19,017.39		19,260.08
(iii) Loans	8		71.20		7.08
(iv) Other Financial Assets	9		2,512.01		464.44
(g) Deferred Tax Assets (Net)	10		8,805.83		8,361.65
(h) Other Non-Current Assets	11		877.13		1,090.19
<b>(2) Current Assets</b>					
(a) Inventories	12		213.53		204.67
(b) Financial Assets					
(i) Investments	13		-		-
(ii) Trade Receivables	14		25,915.99		29,951.90
(iii) Cash and Cash Equivalents	15		18,265.29		10,460.48
(iv) Other Bank Balances	16		51,274.08		52,703.10
(v) Loans	17		586.56		592.24
(vi) Other Financial Assets	18		5,104.46		101,146.38
(c) Current Tax Assets (Net)	19		3,948.50		996.19
(d) Other Current Assets	20		10,413.88		8,998.27
<b>TOTAL ASSETS</b>			<b>154,656.23</b>		<b>145,376.71</b>
<b>II. EQUITY AND LIABILITIES</b>					
<b>(A) EQUITY</b>					
(a) Equity Share Capital	21		4,013.84		4,013.84
(b) Other Equity	22		34,278.71		33,094.92
<b>(B) LIABILITIES</b>					
<b>(1) Non-Current Liabilities</b>					
(a) Financial Liabilities					
(i) Borrowings					
(ia) Lease Liabilities					
(ii) Trade Payables	23				
(A) Total outstanding dues of micro enterprises and small enterprises			1,604.32		1,514.85
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises			3,120.21		2,959.27
(iii) Other Financial Liabilities	24		2,730.68		1,935.05
(b) Provisions	25		25,660.05		25,916.61
(c) Deferred Tax Liabilities (Net)	10				
(d) Other Non-Current Liabilities	26		362.81		372.83
<b>(2) Current Liabilities</b>					
(a) Financial Liabilities					
(i) Borrowings					
(ia) Lease Liabilities					
(ii) Trade Payables	28				
(A) Total outstanding dues of micro enterprises and small enterprises			2,292.03		3,734.63
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises			12,260.52		11,378.91
(iii) Other Financial Liabilities	29		36,117.97		50,670.52
(b) Other Current Liabilities	30				22,519.59
(c) Provisions	31				9,695.50
(d) Current Tax Liabilities (Net)	19				
<b>TOTAL EQUITY AND LIABILITIES</b>			<b>154,656.23</b>		<b>145,376.71</b>

**Note No.1 to 42 form an integral part of Financial Statements**

In terms of our report of even date

For ANJALI JAIN &amp; ASSOCIATES

CHARTERED ACCOUNTANTS

 Sd/-  
 (ARPIT JAIN)  
 PARTNER  
 Memb.No.417169  
 Firm Regn. No.003247C

 Sd/-  
 (RAVI BAMBHA)  
 COMPANY SECRETARY

 Sd/-  
 (S. SAMANTA)  
 SENIOR GENERAL MANAGER  
 (FINANCE)

 Sd/-  
 (R. H. JUNEJA)  
 DIRECTOR (FINANCE)

 Sd/-  
 (SALIL KUMAR)  
 CHAIRMAN and MANAGING  
 DIRECTOR (Additional Charge)

Place : Ranchi

Dated : 02.08.2022

UDIN : 22417169AOBNKN7214



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

(₹ in lakhs)

PARTICULARS	NOTE NO.	Current Year	Previous Year
I. Revenue from Operations	32	60,275.23	75,212.37
II. Other Income	33	3,845.83	4,444.81
<b>III. TOTAL INCOME (I+II)</b>		<b>64,121.06</b>	<b>79,657.18</b>
<b>IV. EXPENSES:</b>			
(a) Purchases of Equipments & Direct Expenses	34	19,076.02	35,466.83
(b) (Accretion)/Decretion to Jobs-in-Progress	35	549.13	1,362.72
(c) Employee Benefits Expenses	36	32,415.60	32,245.89
(d) Finance Costs	37	151.37	131.59
(e) Depreciation and Amortisation Expenses	38	690.48	629.01
(f) Other Expenses	39	9,284.80	7,910.29
<b>TOTAL EXPENSES (IV)</b>		<b>62,167.40</b>	<b>77,746.33</b>
<b>V. Profit/(Loss) before exceptional items and tax (III-IV)</b>		1,953.66	1,910.85
VI. Exceptional Items		-	-
<b>VII. Profit/(Loss) before tax (V-VI)</b>		<b>1,953.66</b>	<b>1,910.85</b>
<b>VIII. Tax Expense:</b>			
(a) Current Tax		1,027.99	896.20
(b) Deferred Tax		(444.18)	390.28
(c) Taxes relating to Earlier Years		-	-
<b>IX. Profit/(Loss) for the year (VII-VIII)</b>		<b>1,369.85</b>	<b>624.37</b>
<b>X. Other Comprehensive Income</b>			
(a) Items that will not be reclassified to Profit and Loss			
Re-measurement of Defined Benefit Plans		(225.45)	(1,420.51)
(b) Income tax relating to items that will not be reclassified to Profit and Loss			
Re-measurement of Defined Benefit Plans		39.39	248.19
<b>XI. Total Comprehensive Income for the year (IX+X)</b>		<b>1,183.79</b>	<b>(547.95)</b>
<b>XII. Earnings per equity share (Face Value ₹ 10/- each)</b>	42.12		
<b>Basic &amp; Diluted (₹)</b>		<b>3.41</b>	<b>1.56</b>

### Note No.1 to 42 form an integral part of Financial Statements

In terms of our report of even date

For ANJALI JAIN &amp; ASSOCIATES

CHARTERED ACCOUNTANTS

Sd/-  
(ARPIT JAIN)  
PARTNER  
Memb.No.417169  
Firm Regn. No.003247C

Sd/-  
(RAVI BAMBHA)  
COMPANY SECRETARY

Sd/-  
(S. SAMANTA)  
SENIOR GENERAL MANAGER  
(FINANCE)

Sd/-  
(R. H. JUNEJA)  
DIRECTOR (FINANCE)

Sd/-  
(SALIL KUMAR)  
CHAIRMAN and MANAGING  
DIRECTOR (Additional Charge)

Place : Ranchi

Dated : 02.08.2022

UDIN : 22417169AOBNKN7214

# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2022

## A. EQUITY SHARE CAPITAL

### (1) Current reporting period

(₹ in lakhs)

Particulars	Balance as at 1st April, 2021	Changes in Equity Share Capital due to prior period errors	Restated Balance as at 1st April, 2021	Changes in Equity Share Capital during the current year	Balance as at 31st March, 2022
Equity Share Capital	4,013.84	-	4,013.84	-	4,013.84

### (2) Previous reporting period

(₹ in lakhs)

Particulars	Balance as at 1st April, 2020	Changes in Equity Share Capital due to prior period errors	Restated Balance as at 1st April, 2020	Changes in Equity Share Capital during the current year	Balance as at 31st March, 2021
Equity Share Capital	4,013.84	-	4,013.84	-	4,013.84

## B. OTHER EQUITY

### (1) Current reporting period

(₹ in lakhs)

Particulars	Reserves and Surplus				Other Comprehensive Income	TOTAL
	Capital Redemption Reserve #	CSR Activity Reserve #	General Reserve	Retained Earnings	Remeasurement of Defined Benefit Plans	
<b>Balance as at 1st April, 2021</b>	<b>6,300.00</b>	<b>84.74</b>	<b>9,852.39</b>	<b>21,554.58</b>	<b>(4,696.79)</b>	<b>33,094.92</b>
Changes in accounting policy or prior period errors	-	-	-	-	-	-
<b>Restated Balance as at 1st April, 2021</b>	<b>6,300.00</b>	<b>84.74</b>	<b>9,852.39</b>	<b>21,554.58</b>	<b>(4,696.79)</b>	<b>33,094.92</b>
Net Profit / (Loss) during the period	-	-	-	1,369.85	-	1,369.85
Total Comprehensive Income for the current period	-	-	-	-	(186.06)	(186.06)
Dividend on Equity Shares	-	-	-	-	-	-
Transferred from Retained Earnings during the period	-	77.38	-	-	-	77.38
Transferred to Retained Earnings during the period	-	(149.84)	-	-	-	(149.84)
Transferred from CSR Activity Reserve during the period	-	-	-	149.84	-	149.84
Transferred to CSR Activity Reserve during the period	-	-	-	(77.38)	-	(77.38)
Transferred to General Reserve	-	-	-	-	-	-
<b>Balance as at 31st March, 2022</b>	<b>6,300.00</b>	<b>12.28</b>	<b>9,852.39</b>	<b>22,996.89</b>	<b>(4,882.85)</b>	<b>34,278.71</b>

### (2) Previous reporting period

<b>Balance as at 1st April, 2020</b>	<b>6,300.00</b>	<b>35.44</b>	<b>9,852.39</b>	<b>23,146.94</b>	<b>(3,524.47)</b>	<b>35,810.30</b>
Changes in accounting policy or prior period errors	-	-	-	-	-	-
<b>Restated Balance as at 1st April, 2020</b>	<b>6,300.00</b>	<b>35.44</b>	<b>9,852.39</b>	<b>23,146.94</b>	<b>(3,524.47)</b>	<b>35,810.30</b>
Net Profit / (Loss) during the period	-	-	-	624.37	-	624.37
Total Comprehensive Income for the current period	-	-	-	-	(1,172.32)	(1,172.32)
Dividend on Equity Shares	-	-	-	(2,167.43)	-	(2,167.43)
Transferred from Retained Earnings during the period	-	93.99	-	-	-	93.99
Transferred to Retained Earnings during the period	-	(44.69)	-	-	-	(44.69)
Transferred from CSR Activity Reserve during the period	-	-	-	44.69	-	44.69
Transferred to CSR Activity Reserve during the period	-	-	-	(93.99)	-	(93.99)
Transferred to General Reserve	-	-	-	-	-	-
<b>Balance as at 31st March, 2021</b>	<b>6,300.00</b>	<b>84.74</b>	<b>9,852.39</b>	<b>21,554.58</b>	<b>(4,696.79)</b>	<b>33,094.92</b>

# As per provisions of the Companies Act, the Company has created Capital Redemption Reserve on redemption of 6,30,00,000 5% Non Cumulative Redeemable Preference Shares of ₹10/- each out of available profits. The Capital Redemption Reserve Account shall be utilised as per provisions of the Act.

## As per provisions of the Companies Act, the Company has transferred / appropriated necessary CSR amount from Surplus to CSR Activity Reserve Account which is utilised by the Company for CSR Project / Activities, etc.

### Note No.1 to 42 form an integral part of Financial Statements

In terms of our report of even date

For ANJALI JAIN & ASSOCIATES

CHARTERED ACCOUNTANTS

Sd/-  
(ARPIT JAIN)  
PARTNER  
Memb.No.417169  
Firm Regn. No.003247C

Sd/-  
(RAVI BAMBHA)  
COMPANY SECRETARY

Sd/-  
(S. SAMANTA)  
SENIOR GENERAL MANAGER  
(FINANCE)

Sd/-  
(R. H. JUNEJA)  
DIRECTOR (FINANCE)

Sd/-  
(SALIL KUMAR)  
CHAIRMAN and MANAGING  
DIRECTOR (Additional Charge)

Place : Ranchi

Dated : 02.08.2022

UDIN : 22417169AOBNKN7214

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2022 (Indirect Method)

(₹ In lakhs)

	2021-22		2020-21	
<b>Cash Flows from Operating Activities</b>				
Net Profit/(Loss) before Taxation		<b>1,953.66</b>		<b>1,910.85</b>
Add : Adjustments for				
Depreciation & Amortisation	690.48		629.01	
Loss on Sale/Disposal of Fixed Assets	0.66		0.75	
Provision for Bad & Doubtful Trade Receivables / ECL	1,564.45		1,083.40	
Other Provisions	1,299.29		1,145.71	
Finance Costs	151.37		131.59	
		<b>3,706.25</b>		<b>2,990.46</b>
Less : Adjustments for				
Profit on Sale/Disposal of Fixed Assets	0.74		-	
Interest Income	2,227.42		3,143.84	
Dividend Received	1.60		1.60	
Gain/(Loss) on Redemp. or Fair Valuation of Invest. in MFs	0.72		0.32	
		<b>2,230.48</b>		<b>3,145.76</b>
Operating Profit/(Loss) before Working Capital Changes		<b>3,429.43</b>		<b>1,755.55</b>
Add : Adjustments for				
(Increase) / Decrease in Inventories	(8.86)		(23.76)	
(Increase) / Decrease in Trade Receivables	2,714.15		(3,987.39)	
(Increase) / Decrease in Loans	(219.81)		76.18	
(Increase) / Decrease in Other Current Financial Assets	66.00		1,110.64	
(Increase) / Decrease in Tax Assets	(3,940.91)		8,889.30	
(Increase) / Decrease in Other Non-Financial Assets	(1,668.14)		(87.06)	
Increase / (Decrease) in Trade Payables	(310.58)		2,792.22	
Increase / (Decrease) in Financial Liabilities	1,038.37		4,614.72	
Increase / (Decrease) in Provisions	1,022.04		(1,975.01)	
Increase / (Decrease) in Non-Financial Liabilities	5,820.80		8,517.22	
		<b>4,513.06</b>		<b>19,927.06</b>
<b>Cash Generated from Operations</b>		<b>7,942.49</b>		<b>21,682.61</b>
Less : Taxes Paid		-		-
<b>Net Cash from Operating Activities {A}</b>		<b>7,942.49</b>		<b>21,682.61</b>
<b>Cash Flows from Investing Activities</b>				
Purchase of Property, Plant & Eqpt. and Intangible Assets	(1,599.34)		(402.47)	
Property, Plant & Eqpt. and Intangible Asset sold/discarded	1.84		0.37	
(Increase) / Decrease in Deposits with Bank	(893.72)		(13,710.00)	
Interest Received	2,502.59		2,992.81	
Dividend Received	1.60		1.60	
Gain / (Loss) on Redemption of Investment in MFs	0.72		0.32	
<b>Net Cash from Investing Activities {B}</b>		<b>13.69</b>		<b>(11,117.37)</b>
<b>Cash Flows from Financing Activities</b>				
Dividend including Dividend Tax Paid	-		(2,167.43)	
Finance Costs	(151.37)		(131.59)	
<b>Net Cash from Financing Activities {C}</b>		<b>(151.37)</b>		<b>(2,299.02)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalent {A}+{B}+{C}</b>		<b>7,804.81</b>		<b>8,266.22</b>
<b>Cash and Cash Equivalent at the beginning</b>		<b>10,460.48</b>		<b>2,194.26</b>
<b>Cash and Cash Equivalent at the end</b>		<b>18,265.29</b>		<b>10,460.48</b>
<b>Note No.1 to 42 form an integral part of Financial Statements</b>				
<b>Cash &amp; Cash Equivalent represents</b>				
i) Cash at Bank (Current A/c & Flexi Deposit A/c) #	18,260.76		10,453.35	
ii) Cheques & Drafts on hand	-		-	
iii) Cash & Stamps on hand	4.53		7.13	
# include amount held in the Separate Bank Accounts maintained on behalf of Clients	17,890.53		10,019.24	
		<b>18,265.29</b>		<b>10,460.48</b>

In terms of our report of even date  
For ANJALI JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS

Sd/-  
(ARPIT JAIN)  
PARTNER  
Memb.No.417169  
Firm Regn. No.003247C

Sd/-  
(RAVI BAMBHA)  
COMPANY SECRETARY

Sd/-  
(S. SAMANTA)  
SENIOR GENERAL MANAGER  
(FINANCE)

Sd/-  
(R. H. JUNEJA)  
DIRECTOR (FINANCE)

Sd/-  
(SALIL KUMAR)  
CHAIRMAN and MANAGING  
DIRECTOR (Additional Charge)

Place : Ranchi  
Dated : 02.08.2022  
UDIN : 22417169AOBNKN7214

## NOTE 1 : CORPORATE AND GENERAL INFORMATION

MECON LIMITED (“the Company”) is India’s frontline Consultancy, Engineering & EPC Solution provider across sectors, with extensive capabilities in Steel Industry. The Company, a wholly owned Government of India Enterprise under Ministry of Steel, that was incorporated on 31<sup>st</sup> March, 1973 and is domiciled in India. The Company has its registered office situated at Vivekananda Path, Doranda, Ranchi – 834002, Jharkhand, India. The Company operates in three major segments, namely, Metals, Energy & Infrastructure.

These financial statements for the period ended 31<sup>st</sup> March, 2022 were approved for issue by the Board of Directors of the Company in their meeting held on 23<sup>rd</sup> June, 2022.

## NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

### 1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

#### 1.1 Statement of Compliance

The financial statements are prepared in accordance with generally accepted accounting principles in India, Indian Accounting Standards as notified / amended from time to time, provisions of the Companies Act, 2013 / 1956 and relevant rules as applicable.

#### 1.2 Basis of Measurement

The financial statements are prepared on a going concern basis and on accrual basis of accounting under the historical cost concept except as otherwise mentioned in the policy.

#### 1.3 Functional and Presentation Currency

The amounts in financial statements and notes are presented in Indian Rupees (INR) (₹) which is the functional currency of the Company. All financial information presented in INR (₹) has been rounded off to the nearest INR (₹) in lakhs with two decimal places, except as otherwise stated.

#### 1.4 Use of Estimates and Management Judgment

In preparing the financial statements in conformity with accounting principles generally accepted in India, Indian Accounting Standards as notified / amended from time to time, provisions of the Companies Act 2013 / 1956 and relevant rules as applicable, the Company makes best estimates, assumptions and judgments that may affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities as at the reporting date and the amount of revenue and expenses during the reporting period. The estimates and judgments are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual result in some cases may differ from such estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision of such estimates is recognised during the period in which the same is determined.

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

##### 1.4.1 Revenue

The Company recognizes revenue over time by measuring the progress towards satisfaction of the performance obligation depending upon the nature / scope, etc. of job.

##### 1.4.2 Defined Benefit Obligations

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increase and the inflation rate. However, any changes in these assumptions may have impact on the resulting calculations.

### 1.4.3 Provisions and Contingencies

Assessments undertaken in recognizing provisions and contingencies have been made as per the best judgment based on the current information as available.

### 1.5 Current and Non-Current Classification

1.5.1 All items of assets and liabilities in the Balance Sheet are classified as Current and Non-current as per requirement of the Companies Act, 2013, as applicable.

1.5.2 Normal operating cycle of the Company is considered 12 months keeping in view past experience and nature of business of the Company.

1.5.3 Trade Receivables (i.e. dues arising only from clients in the normal course of business) outstanding for a period exceeding six months is determined after taking into account 30 days normal credit period allowed by the Company.

1.5.4 Dues on account of goods purchased or services received in the normal course of business are treated as Trade Payables.

## 2. PROPERTY, PLANT AND EQUIPMENT

### 2.1 Recognition

2.1.1 Items of Property, Plant and Equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost comprises any directly attributable costs net of tax / duty credit availed and includes borrowing costs which meet capitalization criteria, expenses incidental to acquisition, installation, etc. of bringing the items of Property, Plant and Equipment to the location and working condition for its intended use but excludes training, administration and overhead costs.

2.1.2 Deposits / payments / liabilities made towards compensation, rehabilitation, etc. relating to acquisition of land are treated as cost of land in the period in which they occur.

2.1.3 Items of major spare parts, stand-by equipment and servicing equipment which meet the definition of Property, Plant and Equipment are capitalised. Otherwise, they are classified as inventories in accordance with Ind AS – 2.

2.1.4 Items of Property, Plant and Equipment purchased during the year costing upto ₹1,000/- each item are charged to revenue.

2.1.5 The cost of any software purchased along with the computer hardware, being an integral part of the hardware, is capitalized along with the cost of the hardware.

2.1.6 Items of Property, Plant and Equipment held under lease are recognised as per Ind AS -116.

2.1.7 Advances paid towards the acquisition of Property, Plant and Equipment and outstanding at each Balance Sheet date are classified as “Capital Advances” under Non-Current Assets.

### 2.2 Subsequent Costs

2.2.1 Subsequent major expenditure on items of Property, Plant and Equipment fulfilling the criteria of recognition is recognised as an increase in the carrying amount of the items of Property, Plant and Equipment.

2.2.2 The costs of the day-to-day servicing of Property, Plant and Equipment are recognised as expenses in the Statement of Profit and Loss as and when they are incurred.

### 2.3. Derecognition

2.3.1 Items of Property, Plant and Equipment are derecognised on disposal or when no future economic benefits are expected from its intended use. Gains / losses on disposal of an item of Property, Plant and Equipment are determined by comparing the proceeds from disposal with the carrying amount of Property, Plant and Equipment, and are recognised in the Statement of Profit and Loss.

2.3.2 Items of Property, Plant and Equipment held for immediate sale in the present condition, their sale is highly probable and their carrying amount will be recovered principally through a sale transaction are classified separately as “Non-Current Assets Held for Sale” at the lower of their carrying amount and fair value less costs to sale.

## 2.4 Depreciation

2.4.1 Depreciation on Property, Plant and Equipment is commenced when it is available for intended use and is provided for under “Straight-Line Method”, considering residual value of 5% of the original cost of the Property, Plant and Equipment, over the useful life of the Property, Plant and Equipment in line with Schedule II of the Companies Act, 2013 and relevant rules as applicable.

2.4.2 Items of Property, Plant and Equipment costing above ₹1,000/- each item and up to ₹5,000/- each item are fully depreciated in the year of acquisition.

2.4.3 Property, Plant and Equipment held under lease are depreciated over its useful life as per Schedule II of the Companies Act, 2013 or over the period of lease term whichever is shorter.

2.4.4 Where cost of a part of an item of Property, Plant and Equipment is significant in relation to the total cost of the item and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately for computation of depreciation.

2.4.5 Depreciation on additions to / deductions from Property, Plant and Equipment during the year is charged on pro-rata basis from / up to the date on which the asset is available for use / disposed.

2.4.6 Depreciation on subsequent cost of an item of Property, Plant and Equipment capitalized is charged off prospectively over the remaining useful life of main item of Property, Plant and Equipment.

2.4.7 Depreciation on Property, Plant and Equipment which is declared idle or retired from active use, but not classified as held for sale in accordance with Ind AS – 105, is charged off over the remaining useful life of that Property, Plant and Equipment.

2.4.8 Depreciation on Property, Plant and Equipment is ceased at the earlier of, the date that the asset is classified as held for sale in accordance with Ind AS – 105 and the date that the asset is de-recognised.

## 2.5 Capital Work-In-Progress

The cost of construction of Property, Plant and Equipments incurred till they are ready for their intended use are recognised as Capital Work-in-Progress.

## 3. INTANGIBLE ASSETS

### 3.1 Recognition

3.1.1 Expenditure incurred on acquisition of technical know-how, engineering materials, computer software (which is not an integral part of related hardware), etc. is treated as intangible asset.

3.1.2 Intangible assets that are acquired by the Company, which have finite useful lives, are recognised at cost. Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses, if any. Cost includes any directly attributable expenses necessary to make the assets ready for its intended use but excludes training, administration and overhead costs.

3.1.3 Expenditure incurred on research & development activities are accounted as expenses in the Statement of Profit and Loss.

### 3.2 Derecognition

An intangible asset is derecognised when no future economic benefits are expected from their intended use or upon their disposal. Gains / losses on disposal of an item of intangible asset are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognised in the Statement of Profit and Loss.

### 3.3 Amortisation

- 3.3.1 Amortisation is commenced from the date the intangible asset is available for intended use.
- 3.3.2 Expenditure incurred on acquisition of software is amortised on straight line method over a period of five years or its license period, whichever is less. However, software individually costing upto ₹5,00,000/- each is fully amortised in the year of acquisition.
- 3.3.3 Expenditure incurred on acquisition of other intangible assets is amortised over a period of five years on straight line method.

### 4. BORROWING COST

- 4.1 Borrowing costs incurred by the Company which are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset.
- 4.2 Other borrowing costs are recognised as expense in the period in which these are incurred.

### 5. IMPAIRMENT OF NON-FINANCIAL ASSETS

The Company reviews the carrying amount of its non-financial assets, whenever circumstances indicate that the carrying amount of the asset may not be recoverable. If such assets are considered to be impaired, the impairment to be recognised is measured by the amount by which the carrying amount of the assets exceeds the higher of its fair value less costs to sell and its value in use. If it is found that some of the impairment losses already recognised need to be reversed, the same are recognised in the Statement of Profit & Loss in the year of reversal.

### 6. INVENTORIES

- 6.1 Closing stock of stores & spares, printing & stationery items and other consumables are valued at lower of cost, on First in First Out (FIFO) basis, and net realisable value. Consumption of the above items during the reporting period is arrived at by deducting the value of physical stock in hand as on the reporting date from the aggregate value of opening stock and purchases during the reporting period.

However, spare parts, equipments, etc. are not considered as inventory when it is required to be capitalized as per Ind AS -16.

- 6.2 Provision for obsolescent / surplus / non-moving inventory is made based on best estimates of net realisable value of such inventories.

### 7. FOREIGN CURRENCY TRANSACTION AND TRANSLATION

- 7.1 Foreign currency transactions are translated into the functional currency of the Company using the exchange rate prevailing at the date of the transactions as applicable.
- 7.2 Monetary assets and liabilities denominated in foreign currency are translated at the functional currency rate of exchange at the reporting date as applicable. Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss in the year in which it arises.
- 7.3 Non-monetary assets and liabilities denominated in foreign currency and measured at historical cost are translated using the exchange rate at the date of the transaction as applicable.

### 8. REVENUE & OTHER INCOME RECOGNITION

The Company derives its revenue from design, engineering & consultancy services, execution of EPC projects / construction contracts, project management & consultancy services and procurement services. Other income comprises interest on deposits with banks / financial institutions / employees, dividend from investments, other miscellaneous income, etc.

#### 8.1 Engineering / Consultancy Services

- 8.1.1 Revenue from Engineering & Consultancy services rendered to the clients against contracts or Letters of Intent or Work orders or exchange of letters which stipulate lump sum fee is recognized over time using

output method based on satisfaction of the performance obligation / right to receive payment. However, revenue shall be recognised upto the value of invoices raised after adjustment of down payment invoices on proportionate basis, unless stated otherwise in the contract.

8.1.2 Revenue from services rendered other than lump sum fee basis (including reimbursable jobs) is recognized at 100% value of the invoices raised towards satisfaction of the performance obligation.

## 8.2 Execution of Projects / Construction Contracts

8.2.1 Revenue from execution of projects / construction contracts (including sale of spares) for the clients against contracts or letters of intent or work orders or exchange of letters which stipulate fixed price is recognized over time using output method based on satisfaction of the performance obligation.

8.2.2 Revenue from cost plus construction contracts / deposit works with turnkey scope / procurement services is recognized to the extent of amount billed as per identified performance obligation on the basis of contracts or letters of intent or work orders or exchange of letters received from clients

8.3 Revenue on account of escalation, additional or extra claims etc. from clients and other miscellaneous items like project insurance claims etc. are recognized at 100% value as and when they are admitted.

8.4 In cases where minimum undisputed terms are agreed to by the client, revenue is accounted for on the basis of such undisputed terms.

8.5 In case of foreclosure of jobs, the fee mutually settled between the client and the Company is considered as 100% of value of work done and revenue is recognised accordingly under “Revenue from Consultancy Services” / “Revenue from Construction Contracts” / “Revenue from Procurement Services”. In case, the settled fee is less than the revenue already recognised, such excess revenue is charged to Statement of Profit & Loss under the head “Fees Withdrawn”.

## 8.6 Liquidated Damages

8.6.1 In cases where deduction is made by the client on account of Liquidated Damages (LD) and LD arises out of contractual terms, liability for LD amount is created. Contract Fee is adjusted by the LD amount for revenue recognition and liability for LD in proportion to progress reported is created. Balance liability, if any, is created by charging off to the Statement of Profit and Loss.

8.6.2 Where no deduction is made by the client on account of Liquidated Damages (LD) but LD arises out of contractual terms, LD amount is adjusted from the contract fee for revenue recognition and liability for LD is created in proportion to progress reported.

8.6.3 Where deduction is made by the client on account of non-achievement of any specified parameter such as – PG parameter or other parameters specifically mentioned in the contract and such non-achievement is established as well as accepted by MECON, liability for LD amount is created to the extent amount is deducted by the client. Contract Fee is adjusted by the LD amount for revenue recognition and liability in proportion to progress reported is created. Balance liability, if any, is created by charging off to the Statement of Profit & Loss.

## 8.7 Other Operating Revenue

Revenue arising from ancillary operating activities of the Company is recognised as Other Operating Revenue. Other Operating Revenue comprises generally receipts from sale of project scraps, provisions no longer required written back relating to execution of jobs, etc.

## 8.8 Other Income

Interest income is recognised on an accrual basis. Dividend income from investments is recognised as and when the right to receive the payment is established. Income from rentals and operating leases is recognised on accrual basis in accordance with the substance of the relevant agreement. Other income also includes income from township, profit on sale / disposal of Fixed Assets and all other non-operating income.



## 9. JOB-IN-PROGRESS

- 9.1 Where the progress has been achieved (on the basis of technical estimate) in respect of a job but claim for payment as per contract does not arise, lower of cost or value of the work done based on percentage of progress, is carried forward under Job-in-Progress. However, Job-in-Progress is recognised considering 90% value only, unless technical estimate has reached 100%.
- 9.2. Where the work is started on the basis of job allotted by LOI / any other communication from the client, but the fee is yet to be settled, the cost incurred against such jobs is carried forward under Job-in-Progress.

## 10. EMPLOYEE BENEFITS

### 10.1 Post-Employment Benefits

#### 10.1.1 Defined Contribution Plan

Contributions paid / payable under defined contribution plan is recognised on the basis of actual liability on undiscounted basis in the reporting period in which they are incurred and charged to profit and loss.

#### 10.1.2 Defined Benefit Plans

The Company has post-retirement defined benefit plans comprising Retirement Gift, Post-Retirement Settlement Benefits, Post-Retirement Medical Benefits, Gratuity and Provident Fund to the extent of interest liability on provident fund contribution.

Employee benefits expenses under post-retirement defined benefit plans are recognised based on the actuarial valuation as per Ind AS – 19 as at the end of the reporting period using the projected unit credit method and recognised in profit and loss. Any actuarial gains or losses are recognised in other comprehensive income in the period in which they arise.

### 10.2 Other Long-Term Employee Benefits

Other long-term employee benefits under defined benefit plans comprises of leave encashment, long-service award, leave travel concession / leave travel assistance and employee family benefit schemes.

Employee benefits under other long-term defined benefit plans are recognised based on the actuarial valuation as at the end of the reporting period using the projected unit credit method and recognised in profit and loss. Any actuarial gains or losses are recognised in profit and loss in the period in which they arise.

### 10.3 Short-Term Employee Benefits

Short-term benefits comprise of employee costs such as salaries, bonus, etc. are accrued in the year in which the associated service are rendered by employees.

### 10.4 Termination Benefits

Expenses are recognised for termination benefits (including Voluntary Retirement Compensation) in the period in which it is incurred.

## 11. MATERIAL PRIOR PERIOD ERRORS

- 11.1 Any expenditure or income which exceeds 0.5% of turnover in each case, which arise in the current period as a result of errors or omissions in the preparation of financial statements of one or more prior periods, are treated as material prior period errors.
- 11.2 Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.
- 11.3 A prior period error shall be corrected by retrospective restatement except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the error.

## 12. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

- 12.1 Provisions for estimated liabilities on account of guarantees & warranties etc. in respect of Engineering & Consultancy Services and Turnkey Contracts are made by the Company after assessment of risk and consequential probable liabilities on case to case basis.
- 12.2 Provisions for liquidated damages are made as per accounting policy no. 8.6. Provision for penalties / fines / miscellaneous deductions is made as and when these are deducted as per terms of contract and are admitted by the Company.
- 12.3 Suppliers'/contractors' claims for price escalation, additional or extra claims, etc. are accounted for to the extent such claims are accepted by the Company.
- 12.4 Where the effect of time value of money is material, provisions are determined and maintained by discounting the expected future cash flows, wherever applicable.
- 12.5 Contingent Liabilities / Contingent Assets are disclosed on the basis of best judgment. These are reviewed at each balance sheet date and are adjusted to reflect the current estimate.

## 13. INCOME TAXES

- 13.1 Income tax expense comprises current and deferred tax. Current tax expense is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in other comprehensive income (OCI) or equity, in which case it is recognised in OCI or equity.
- 13.2 Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years.
- 13.3 Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.
- 13.4 Deferred tax is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in OCI or equity, in which case it is recognised in OCI or equity.
- 13.5 Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.
- 13.6 Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.
- 13.7 Additional income taxes that arise from the distribution of dividends are recognised at the same time that the liability to pay the related dividend is recognised.

## 14. LEASES

Whether a contract is, or contains, a lease is assessed at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right to control signifies both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. An asset is typically identified by being explicitly specified in a contract or being implicitly specified at the time that the asset is made available for use.

## 14.1 Company as a Lessee

14.1.1 Lease payment associated with short-term leases (leases with lease term of twelve months or less) and leases for which the underlying asset is of low value is recognised as an expense in the Statement of Profit and Loss on straight line basis over the lease term.

14.1.2 For leases, other than short-term leases and other than leases for which the underlying asset is of low value, Right-of-Use Asset and Lease Liability are recognised.

### Recognition

Right-of-Use Asset is initially recognised at cost at the commencement date and subsequently carried at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of lease liability. The cost comprise the initial amount of the lease liability adjusted for any lease payments made at or prior to the commence date of the lease plus any initial direct costs less any lease incentives.

Lease Liability is initially recognised at the present value of the unpaid lease payments discounted using the incremental borrowing rate and subsequently measured at carrying amount reflecting interest, lease payments made and re-measurement due to reassessment / lease modifications, if any. The interest element of lease liability is charged to Statement of Profit and Loss, as finance costs over the period of the lease.

### Depreciation

Depreciation on Right-of-Use Asset is provided for under "Straight-Line Method" from commencement date to the end of useful life or the end of lease term, whichever is earlier.

## 14.2 Company as a Lessor

### 14.2.1 Operating Lease

Asset given on lease where the Company does not transfer substantially all the risks and rewards of ownership of the asset is classified as operating lease. Receipts under operating lease are recognised as income in the Statement of Profit and Loss on straight line basis over the lease term.

## 15. DIVIDENDS

Dividends payable to the shareholders of the Company are recognised as changes in equity in the period in which they are approved by the Board of Directors and the Shareholder's Meeting respectively.

## 16. STATEMENT OF CASH FLOWS

Statement of Cash Flows is prepared under "Indirect Method" in accordance with Ind AS – 7 "Statement of Cash Flows".

## 17. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### 17.1 Financial Assets

#### 17.1.1 Initial Recognition

Financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

#### 17.1.2 Subsequent Measurement

Subsequent to initial recognition, all financial assets are measured either at amortised cost or at fair value. Where financial assets are measured at fair value, gains and losses are recognised entirely in profit and loss [fair value through profit and loss, (FVTPL)].

Effective interest rate (EIR) method for measurement is used for financial assets measured at amortised cost. The effective interest rate (EIR) amortization is included in the finance income in the profit and loss.

Equity investments in subsidiaries and joint ventures are measured at cost.

### **17.1.3 Derecognition**

A financial asset is primarily derecognised when the right to receive cash flows from the financial asset has expired or the Company has transferred its rights to receive cash flows from the financial asset.

### **17.1.4 Impairment of financial assets**

#### ***Trade Receivables***

As a practical expedient the Company has adopted 'simplified approach' using the provision matrix method for recognition of expected loss on trade receivables.

#### ***Investment in subsidiaries, joint ventures and associates***

The Company assesses whether there is any indication that these investments are be impaired. If any such indication exists, the investment is considered for impairment based on the fair value thereof.

#### ***Other Financial Assets***

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 and if credit risk has increased significantly, impairment loss is provided.

The losses arising from impairment are recognised in the Statement of Profit and Loss.

## **17.2 Financial Liabilities**

### **17.2.1 Initial Recognition**

Financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of financial liabilities is also adjusted.

### **17.2.2 Subsequent measurement**

Financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit and loss when the liabilities are derecognised as well as through the EIR amortization process.

### **17.2.3 Derecognition**

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.

## **17.3 Offsetting of Financial Instruments:**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised 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 counterparty.

**NOTE 3.1 - PROPERTY, PLANT AND EQUIPMENT (GENERAL)**

As on 31st March, 2022

(₹ in lakhs)

Sl. No.	Particulars	COST				DEPRECIATION				NET CARRYING AMOUNT	
		As on 01.04.21	Addition/ Adjustment	Sale/ Adjustment	As on 31.03.22	As on 01.04.21	On Sale/ Adjustment	During the period	Upto 31.03.22	As on 31.03.22	As on 31.03.21
1.	Land	63.93	-	-	63.93	-	-	-	-	63.93	63.93
2.	Building - Freehold	2,486.10	9.48	-	2,495.58	1,216.96	-	48.63	1,265.59	1,229.99	1,269.14
	- Leasehold	185.11	-	-	185.11	74.16	-	3.32	77.48	107.63	110.95
3.	Road, Bridges & Culverts	0.55	36.05	-	36.60	0.53	-	0.82	1.35	35.25	0.02
4.	Water Supply and Sewerage	36.17	3.00	-	39.17	19.50	-	2.17	21.67	17.50	16.67
5.	Furniture & Fixtures	1,176.31	26.23	-	1,202.54	962.92	-	42.81	1,005.73	196.81	213.39
6.	Motor Vehicles	83.65	19.14	-	102.79	31.16	-	10.61	41.77	61.02	52.49
7.	Office Equipments	1,016.33	17.82	0.94	1,033.21	925.95	0.34	22.77	948.38	84.83	90.38
8.	Computer Hardware	2,736.05	427.76	18.01	3,145.80	2,365.76	16.85	155.71	2,504.62	641.18	370.29
9.	Laboratory Equipments	616.06	0.92	-	616.98	487.56	-	25.58	513.14	103.84	128.50
10.	Electrical Installation	1,407.69	55.06	-	1,462.75	1,011.49	-	89.69	1,101.18	361.57	396.20
11.	Misc. Articles including Library	219.03	0.32	-	219.35	207.16	-	2.15	209.31	10.04	11.87
	<b>TOTAL</b>	<b>10,026.98</b>	<b>595.78</b>	<b>18.95</b>	<b>10,603.81</b>	<b>7,303.15</b>	<b>17.19</b>	<b>404.26</b>	<b>7,690.22</b>	<b>2,913.59</b>	<b>2,723.83</b>

As on 31st March, 2021

(₹ in lakhs)

Sl. No.	Particulars	COST				DEPRECIATION				NET CARRYING AMOUNT	
		As on 01.04.20	Addition/ Adjustment	Sale/ Adjustment	As on 31.03.21	As on 01.04.20	On Sale/ Adjustment	During the period	Upto 31.03.21	As on 31.03.21	As on 31.03.20
1.	Land	63.93	-	-	63.93	-	-	-	-	63.93	63.93
2.	Building - Freehold	2,486.10	-	-	2,486.10	1,164.39	0.01	52.58	1,216.96	1,269.14	1,321.71
	- Leasehold	185.11	-	-	185.11	70.84	-	3.32	74.16	110.95	114.27
3.	Road, Bridges & Culverts	0.55	-	-	0.55	0.53	-	-	0.53	0.02	0.02
4.	Water Supply and Sewerage	36.17	-	-	36.17	17.38	-	2.12	19.50	16.67	18.79
5.	Furniture & Fixtures	1,170.49	5.82	-	1,176.31	923.74	-	39.18	962.92	213.39	246.75
6.	Motor Vehicles	83.65	-	-	83.65	22.10	-	9.06	31.16	52.49	61.55
7.	Office Equipments	1,000.01	16.90	0.58	1,016.33	887.12	0.15	38.98	925.95	90.38	112.89
8.	Computer Hardware	2,549.64	189.12	2.71	2,736.05	2,260.63	2.01	107.14	2,365.76	370.29	289.01
9.	Laboratory Equipments	605.38	10.68	-	616.06	459.66	-	27.90	487.56	128.50	145.72
10.	Electrical Installation	1,379.15	28.54	-	1,407.69	923.58	-	87.91	1,011.49	396.20	455.57
11.	Misc. Articles including Library	219.03	-	-	219.03	204.83	-	2.33	207.16	11.87	14.20
	<b>TOTAL</b>	<b>9,779.21</b>	<b>251.06</b>	<b>3.29</b>	<b>10,026.98</b>	<b>6,934.80</b>	<b>2.17</b>	<b>370.52</b>	<b>7,303.15</b>	<b>2,723.83</b>	<b>2,844.41</b>

## NOTE 3.2 - PROPERTY, PLANT AND EQUIPMENT (SOCIAL AMENITIES)

**As on 31st March, 2022**
**(₹ in lakhs)**

Sl. No.	Particulars	COST				DEPRECIATION				NET CARRYING AMOUNT	
		As on 01.04.21	Addition/ Adjustment	Sale/ Adjustment	As on 31.03.22	As on 01.04.21	On Sale/ Adjustment	During the period	Upto 31.03.22	As on 31.03.22	As on 31.03.21
1.	Land	227.69	-	-	227.69	-	-	-	-	227.69	227.69
2.	Building	4,057.26	-	-	4,057.26	1,167.04	-	64.71	1,231.75	2,825.51	2,890.22
3.	Road, Bridges & Culverts	318.12	11.43	-	329.55	302.22	-	0.26	302.48	27.07	15.90
4.	Water Supply and Sewerage	285.86	21.40	-	307.26	208.25	-	9.15	217.40	89.86	77.61
5.	Fences	82.21	-	-	82.21	78.09	-	-	78.09	4.12	4.12
6.	Plant & Equipments	501.05	138.08	-	639.13	356.90	-	24.84	381.74	257.39	144.15
7.	Furniture & Fixtures	122.60	1.76	-	124.36	100.16	-	5.27	105.43	18.93	22.44
8.	Motor Vehicles	8.98	8.14	-	17.12	1.01	-	1.10	2.11	15.01	7.97
9.	Office Equipments	34.51	4.46	-	38.97	30.63	-	1.28	31.91	7.06	3.88
10.	Computer Hardware	20.20	-	-	20.20	17.79	-	0.59	18.38	1.82	2.41
11.	Electrical Installation	1,122.95	40.33	-	1,163.28	630.28	-	97.80	728.08	435.20	492.67
12.	Misc. Articles including Library	6.22	-	-	6.22	5.94	-	-	5.94	0.28	0.28
	<b>TOTAL</b>	<b>6,787.65</b>	<b>225.60</b>	<b>-</b>	<b>7,013.25</b>	<b>2,898.31</b>	<b>-</b>	<b>205.00</b>	<b>3,103.31</b>	<b>3,909.94</b>	<b>3,889.34</b>

**As on 31st March, 2021**
**(₹ in lakhs)**

Sl. No.	Particulars	COST				DEPRECIATION				NET CARRYING AMOUNT	
		As on 01.04.20	Addition/ Adjustment	Sale/ Adjustment	As on 31.03.21	As on 01.04.20	On Sale/ Adjustment	During the period	Upto 31.03.21	As on 31.03.21	As on 31.03.20
1.	Land	227.69	-	-	227.69	-	-	-	-	227.69	227.69
2.	Building	4,057.26	-	-	4,057.26	1,101.84	-	65.20	1,167.04	2,890.22	2,955.42
3.	Road, Bridges & Culverts	318.12	-	-	318.12	302.22	-	-	302.22	15.90	15.90
4.	Water Supply and Sewerage	285.86	-	-	285.86	197.99	-	10.26	208.25	77.61	87.87
5.	Fences	82.20	-	(0.01)	82.21	78.09	-	-	78.09	4.12	4.11
6.	Plant & Equipments	498.81	2.24	-	501.05	333.88	-	23.02	356.90	144.15	164.93
7.	Furniture & Fixtures	122.42	0.18	-	122.60	93.73	-	6.43	100.16	22.44	28.69
8.	Motor Vehicles	1.05	7.93	-	8.98	0.96	-	0.05	1.01	7.97	0.09
9.	Office Equipments	33.34	1.17	-	34.51	28.54	-	2.09	30.63	3.88	4.80
10.	Computer Hardware	20.20	-	-	20.20	15.74	-	2.05	17.79	2.41	4.46
11.	Electrical Installation	935.25	187.71	0.01	1,122.95	533.68	-	96.60	630.28	492.67	401.57
12.	Misc. Articles including Library	6.22	-	-	6.22	5.94	-	-	5.94	0.28	0.28
	<b>TOTAL</b>	<b>6,588.42</b>	<b>199.23</b>	<b>-</b>	<b>6,787.65</b>	<b>2,692.61</b>	<b>-</b>	<b>205.70</b>	<b>2,898.31</b>	<b>3,889.34</b>	<b>3,895.81</b>

## NOTE 3.3 - PROPERTY, PLANT & EQUIPMENT, ETC.

### A) LAND

- (i) Under Section 7 of Public Sector Iron & Steel Companies (Restructuring) and Miscellaneous Provisions Act, 1978, land measuring 118.95 acres for residential colony acquired by the Government of India for the erstwhile Hindustan Steel Limited (HSL) was transferred in favour of MECON Limited by the Gazette Notification dated 30.4.1978. Deed of conveyance for land measuring 118.53 acres has been executed by the Government of Jharkhand in favour of MECON Limited on 1st August, 2016. Balance land measuring 0.42 acres has been released and handed over to Government of Jharkhand for road purpose. Out of the land measuring 118.53 acres executed in favour of MECON Limited, 21.06 acres are in the possession of Steel Authority of India Limited (SAIL), Research & Development Centre for Iron & Steel (RDCIS), Ranchi in 1980-81 for which transfer deed is still pending. The amount received / receivable for such transfer has been taken in the accounts.
- (ii) Under Section 7 of Public Sector Iron & Steel Companies (Restructuring) and Miscellaneous Provisions Act, 1978, land measuring 10.25 acres for the administrative building acquired by the Government of India for the erstwhile Hindustan Steel Limited (HSL) was transferred in favour of MECON Limited by the Gazette Notification dated 30.4.1978. Deed of conveyance in this respect has not yet been executed by the Government of Jharkhand in favour of MECON Limited. Government of Jharkhand has been approached for deed of conveyance in favour of MECON Limited and the matter is in progress.
- (iii) Deed of conveyance has been executed in favour of MECON Limited by Government of Jharkhand on 1st August, 2016 for land measuring 103.33 acres for township at Ranchi acquired from Govt. of Bihar by the Company in 1978-79. Out of the land measuring 103.33 acres, transfer deed in favour of Steel Authority of India Limited (SAIL), Research & Development Centre for Iron & Steel (RDCIS), Ranchi for 7.43 acres of land and in favour of Steel Authority of India Limited (SAIL), Management Training Institute (MTI), Ranchi for 5.42 acres of land is pending. The amount received / receivable for such transfer has been taken in the accounts.
- (iv) Deed of conveyance has been executed in favour of MECON Limited by Government of Jharkhand on 1st August, 2016 for land measuring 1.50 acres of land for township at Ranchi which was acquired from Govt. of Bihar by the Company in 1983-84.
- (v) Out of 223.36 acres of land in possession of the Company in township at Ranchi, 0.856 acres of land is under unauthorised occupation.

### B) BUILDINGS

- (i) Office Space / Building at SCOPE Minar, Laxmi Nagar, New Delhi, Gross Block ₹1,193.30 lakhs (Previous Year ₹1,193.30 lakhs) have been acquired from SCOPE on self financing / contribution basis without ownership title deed, the cost of acquisition of Office Space / Building has been considered as Building and depreciation thereon has been provided at the rate as applicable for Building.
  - (ii) Residential buildings at Rourkela, Gross block ₹5.12 lakhs (Previous year ₹5.12 lakhs) and at Durgapur, Gross block ₹8.62 lakhs (Previous year ₹8.62 lakhs) have been constructed on the land belonging to SAIL for which the depreciation is being charged at the rate applicable for Residential Building.
  - (iii) Pending determination of the proportionate value of the land in respect of Buildings acquired at New Delhi, Gaziabad, Navi Mumbai, Bangalore (Austin Town & Rajiv Nagar), Kolkata and Jagdalpur, the cost of acquisition of flats has been considered as Building and depreciation thereon has been provided at the rate as applicable for Residential Building.
- C) Assets purchased during the year costing above ₹1,000/- each and upto ₹5,000/- each are fully depreciated in the year of acquisition (Refer Note 2 Sl.No. 2.4.2) w.e.f. 1993-94.
- D) 10 nos. (Previous Year 10 nos.) residential quarters are under unauthorised occupation.

## NOTE 4 - CAPITAL WORK-IN-PROGRESS

(₹ in lakhs)

Particulars	Opening Balance as on 01.04.21	Additions/ Adjustments	Total	Capitalised/ Adjustments	Balance	
					As on 31.03.22	As on 31.03.21
1. Cables for Installation of Energy Meter, etc. at Township, Ranchi, Jharkhand	41.19	-	41.19	-	41.19	41.19
2. Installation of DG Set	25.58	7.68	33.26	33.26	-	25.58
3. Expansion of Play School at Township, Ranchi, Jharkhand	-	8.82	8.82	-	8.82	-
4. Installation of ceiling fans at Township, Ranchi, Jharkhand	-	2.70	2.70	-	2.70	-
5. Construction of parking shed at Head Office, Ranchi, Jharkhand	-	40.97	40.97	-	40.97	-
6. Upgradation of Office Building at Mumbai	-	9.85	9.85	-	9.85	-
7. Installation of MS Office	-	140.14	140.14	-	140.14	-
8. Installation of Hardware for ERP	-	479.63	479.63	-	479.63	-
<b>TOTAL</b>	<b>66.77</b>	<b>689.79</b>	<b>756.56</b>	<b>33.26</b>	<b>723.30</b>	<b>66.77</b>

- i) Installation of DG Set at HO, Ranchi has been capitalised and transferred under Electrical Installations in NOTE 3.1 - "PROPERTY, PLANT AND EQUIPMENTS (GENERAL)" ₹ 33.26 Lakhs.

## NOTE 5 - OTHER INTANGIBLE ASSETS

As on 31st March, 2022

(₹ in lakhs)

Sl. No.	Particulars	COST				AMORTISATION				NET CARRYING AMOUNT	
		As on 01.04.21	Addition/ Adjustment	Sale/ Adjustment	As on 31.03.22	As on 01.04.21	On Sale/ Adjustment	During the period	Upto 31.03.22	As on 31.03.22	As on 31.03.21
1.	Computer Software (General)	1,600.45	121.43	-	1,721.88	1,549.03	-	81.22	1,630.25	91.63	51.42
2.	Computer Software (Social Amenities)	13.23	-	-	13.23	13.23	-	-	13.23	-	-
	<b>TOTAL</b>	<b>1,613.68</b>	<b>121.43</b>	<b>-</b>	<b>1,735.11</b>	<b>1,562.26</b>	<b>-</b>	<b>81.22</b>	<b>1,643.48</b>	<b>91.63</b>	<b>51.42</b>

As on 31st March, 2021

(₹ in lakhs)

Sl. No.	Particulars	COST				AMORTISATION				NET CARRYING AMOUNT	
		As on 01.04.20	Addition/ Adjustment	Sale/ Adjustment	As on 31.03.21	As on 01.04.20	On Sale/ Adjustment	During the period	Upto 31.03.21	As on 31.03.21	As on 31.03.20
1.	Computer Software (General)	1,594.42	6.03	-	1,600.45	1,498.19	-	50.84	1,549.03	51.42	96.23
2.	Computer Software (Social Amenities)	13.23	-	-	13.23	11.28	-	1.95	13.23	-	1.95
	<b>TOTAL</b>	<b>1,607.65</b>	<b>6.03</b>	<b>-</b>	<b>1,613.68</b>	<b>1,509.47</b>	<b>-</b>	<b>52.79</b>	<b>1,562.26</b>	<b>51.42</b>	<b>98.18</b>



## NOTE 6 - INVESTMENTS (NON-CURRENT)

(₹ in lakhs)

Particulars	AS AT 31.03.2022		AS AT 31.03.2021	
<b>(a) Trade Investment - at Cost (Unquoted)</b>				
<b>i) Investment in Equity Instruments</b>				
<b>1) Joint Venture</b>				
5000 Equity Shares of Naira 10 each fully paid up being 50% of paid up share capital of M/s Metallurgical & Engineering Consultants (Nigeria) Limited, a Company set up in Nigeria jointly by this Company with two Nigerian Government Companies and Nigerian Citizens	7.60		7.60	
Less : Provision for impairment in the value of investment	7.60	-	7.60	-
<b>2) Others</b>				
50,00,000 Equity Shares of ₹ 10/- each fully paid up of "Neelachal Ispat Nigam Limited".	500.00		500.00	
Less : Provision for impairment in the value of investment	500.00	-	500.00	-
<b>(b) Other Investment - at Cost (Unquoted)</b>				
<b>Investment in Equity Instruments</b>				
<b>1) Others</b>				
106,383 Equity Shares of ₹ 10/- each fully paid-up of "Global Procurement Consultants Limited". (Out of the above, 6,383 Equity Shares of ₹10/- each fully paid-up acquired at a premium of ₹20/- per share subsequently.)		11.92		11.92
<b>TOTAL</b>		<b>11.92</b>		<b>11.92</b>

a)	Aggregate amount of Quoted Investments	NIL	NIL
b)	Aggregate amount of Unquoted Investments	519.52	519.52
c)	Aggregate provision for impairment in the value of investment	507.60	507.60

## NOTE 7 - TRADE RECEIVABLES (NON-CURRENT)

(₹ in lakhs)

Particulars	AS AT 31.03.2022	AS AT 31.03.2021
a) Considered Good - Secured	-	-
b) Considered Good - Unsecured	19,017.39	19,260.08
c) Significant increase in Credit Risk	211.05	259.93
d) Credit Impaired	10,765.11	9,957.50
	29,993.55	29,477.51
Less : Provision for Bad and Doubtful Trade Receivables & Expected Credit Loss	10,976.16	10,217.43
<b>TOTAL</b>	<b>19,017.39</b>	<b>19,260.08</b>

Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member

NIL

NIL

### Trade Receivables ageing schedule

(₹ in lakhs)

Sl. No.	Particulars	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	
(i)	Undisputed Trade Receivables - considered Good	-	-	3,808.87	5,706.81	9,501.71	19,017.39
		-	-	<i>(7,365.37)</i>	<i>(3,627.23)</i>	<i>(8,267.48)</i>	<i>(19,260.08)</i>
(ii)	Undisputed Trade Receivables - which have significant increase in credit risk	-	-	82.39	128.66	-	211.05
		-	-	<i>(174.16)</i>	<i>(85.77)</i>	-	<i>(259.93)</i>
(iii)	Undisputed Trade Receivables - credit impaired	-	-	32.01	291.24	10,441.86	10,765.11
		-	-	-	-	<i>(9,957.50)</i>	<i>(9,957.50)</i>
(iv)	Disputed Trade Receivables - considered Good	-	-	-	-	-	-
(v)	Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi)	Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

Figures in bracket and italics relates to previous year

## NOTE 8 - LOANS (NON-CURRENT)

(₹ in lakhs)

Particulars		AS AT 31.03.2022		AS AT 31.03.2021	
(a)	<b>Loans to Related Parties</b>		-		-
(b)	<b>Others</b>				
	(i) Advance to Employees ##		-		-
	(ii) Interest Receivable on Advance to Employees ##		0.05		0.14
	(iii) Claims Recoverable				
	Considered Good - Secured	-		-	
	Considered Good - Unsecured	71.15		6.94	
	Significant increase in Credit Risk	-		-	
	Credit Impaired	25.43		88.42	
		96.58		95.36	
	Less : Provision for Claims Recoverable	25.43	71.15	88.42	6.94
	<b>TOTAL</b>		<b>71.20</b>		<b>7.08</b>

## Considered Good - Unsecured

## NOTE 9 - OTHER FINANCIAL ASSETS (NON-CURRENT)

(₹ in lakhs)

Particulars		AS AT 31.03.2022		AS AT 31.03.2021	
(a)	<b>Security Deposits</b>				
	(i) Government Authorities ##		5.38		5.38
	(ii) Others				
	Considered Good - Secured	-		-	
	Considered Good - Unsecured	714.35		458.03	
	Significant increase in Credit Risk	-		-	
	Credit Impaired	140.77		94.58	
		855.12		552.61	
	Less : Provision for doubtful deposits	140.77	714.35	94.58	458.03
(b)	<b>Bank Balances</b>		1,792.00		1.00
	Fixed deposits with more than 3 months maturity which are due for maturity beyond 12 months from balance sheet date				
	➤ Bank Balances include amounts held as security deposit	1.00		1.00	
(c)	<b>Interest accrued but not due</b>		0.28		0.03
	<b>TOTAL</b>		<b>2,512.01</b>		<b>464.44</b>

## NOTE 10 - DEFERRED TAX ASSETS (NET)

(₹ in lakhs)

Particulars		AS AT 31.03.2022		AS AT 31.03.2021	
<b>(a)</b>	<b>Deferred Tax Assets</b>				
	(i) Provision for Doubtful Trade Receivables	3,764.44		3,479.55	
	(ii) Provision for Gratuity	1,374.90		1,489.44	
	(iii) Provision for ECL	268.06		338.32	
	(iv) Provision for LD Recovered	2.77		2.77	
	(v) Provision for Claims Recoverable	858.31		839.53	
	(vi) Provision for Doubtful Advances to Suppliers	126.21		126.21	
	(vii) Provision for Doubtful Deposit with Others	26.80		11.89	
	(viii) Provision for EMD/SD	268.62		269.33	
	(ix) Provision for Misc. Deductions	875.20		772.16	
	(x) Provision for Disputed Cases	99.63		99.63	
	(xi) Provision for Service Tax Receivable	537.31		547.81	
	(xii) Provision for Stagnant Jobs	955.44		887.26	
	(xiii) Provision for Output VAT Receivable	155.44		155.44	
	(xiv) Provision for Doubtful GST Receivable	211.50		56.07	
	(xv) Prov. for Doubtful STDS Certificate Recv.	40.86		40.86	
	(xvi) Provision for Bonus	4.21		4.96	
	(xvii) Prov. for diminution in the value of Investment	174.72	<b>9,744.42</b>	174.72	9,295.95
<b>(b)</b>	<b>Deferred Tax Liability</b>				
	(i) Diff. between book and tax depreciation	775.82		771.25	
	(ii) Sales Tax Paid	162.77	<b>938.59</b>	163.05	934.30
<b>NET DEFERRED TAX ASSET / (LIABILITY) (a) - (b)</b>			<b>8,805.83</b>		<b>8,361.65</b>

## NOTE 11 - OTHER NON-CURRENT ASSETS

(₹ in lakhs)

Particulars		AS AT 31.03.2022		AS AT 31.03.2021	
(a)	<b>Capital Advances</b>		-		-
(b)	<b>Advances other than Capital Advances</b>				
	(i) Security Deposits		-		-
	(ii) Advances to related parties		-		-
	(iii) Other Advances				
	- Advance to Suppliers and Sub-Contractors				
	Considered Good - Secured #	762.96		970.67	
	Considered Good - Unsecured	-		-	
	Considered Doubtful	361.12		361.12	
		1,124.08		1,331.79	
	Less : Provision for doubtful advance to Suppliers and Sub-Contractors	361.12	<b>762.96</b>	361.12	970.67
	- Advance to Others ##		<b>96.68</b>		96.68
	- Prepaid Expenses ##		<b>7.49</b>		12.84
	- Payment against Sales Tax / VAT ##		<b>10.00</b>		10.00
(c)	<b>Others</b>				
	- Liquidated Damages Recovered by Clients				
	Considered Good - Unsecured	-		-	
	Considered Doubtful	7.92		7.92	
		7.92		7.92	
	Less : Provision for doubtful liquidated damages recovered	7.92	-	7.92	-
	- EMD, SD, PBG and Advance Amount in dispute				
	Considered Good - Unsecured	-		-	
	Considered Doubtful	700.76		700.76	
		700.76		700.76	
	Less : Provision for doubtful EMD, SD, PBG and Advance Amount in dispute	700.76	-	700.76	-
	<b>TOTAL</b>		<b>877.13</b>		<b>1,090.19</b>

## Considered Good - Unsecured

# Secured against bank guarantee / materials supplied / work done, as the case may be

## NOTE 12 - INVENTORIES

(₹ in lakhs)

Particulars		AS AT 31.03.2022		AS AT 31.03.2021	
(a)	<b>Stores and Spares</b>	109.78		139.84	
(b)	<b>Printing and Stationery</b>	33.52		30.34	
(c)	<b>Computer Consumables</b>	70.23		34.49	
	<i>Valued as per Accounting Policy (NOTE 2, Sl.No.6)</i>				
	<b>TOTAL</b>		<b>213.53</b>		<b>204.67</b>

## NOTE 13 - INVESTMENTS (CURRENT)

(₹ in lakhs)

Particulars	AS AT 31.03.2022		AS AT 31.03.2021	
	No of Units	Amount	No of Units	Amount
<b>Investment in Mutual Funds (At FVTPL)</b>				
Investment in Public Sector Debt Mutual Fund (Unquoted)		-		-
<b>TOTAL</b>		-		-

a) Aggregate amount of Quoted Investments	NIL	NIL
b) Aggregate amount of Unquoted Investments	-	-
c) Aggregate provision for impairment of in the value of investment	NIL	NIL

## NOTE 14 - TRADE RECEIVABLES (CURRENT)

(₹ in lakhs)

Particulars	AS AT 31.03.2022	AS AT 31.03.2021
a) Considered Good - Secured	-	-
b) Considered Good - Unsecured	<b>25,915.99</b>	29,951.90
c) Significant increase in Credit Risk	<b>556.07</b>	708.25
d) Credit Impaired	<b>7.66</b>	-
	<b>26,479.72</b>	30,660.15
Less : Provision for Bad and Doubtful Trade Receivables / Expected Credit Loss	<b>563.73</b>	708.25
<b>TOTAL</b>	<b>25,915.99</b>	<b>29,951.90</b>

Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member

NIL

NIL

### Trade Receivables ageing schedule

(₹ in lakhs)

Sl. No.	Particulars	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	
(i)	Undisputed Trade Receivables - considered Good	19,963.88	5,952.11	-	-	-	25,915.99
		<i>(26,975.62)</i>	<i>(2,976.28)</i>	-	-	-	<i>(29,951.90)</i>
(ii)	Undisputed Trade Receivables - which have significant increase in credit risk	428.23	127.84	-	-	-	556.07
		<i>(637.87)</i>	<i>(70.38)</i>	-	-	-	<i>(708.25)</i>
(iii)	Undisputed Trade Receivables - credit impaired	-	7.66	-	-	-	7.66
(iv)	Disputed Trade Receivables - considered Good	-	-	-	-	-	-
(v)	Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi)	Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

Figures in bracket and italics relates to previous year

## NOTE 15 - CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	AS AT 31.03.2022	AS AT 31.03.2021
i) Cash at Bank (Current & Flexi Deposit A/cs)	18,260.76	10,453.35
ii) Cheques & Drafts on hand	-	-
iii) Cash & Stamps on hand	4.53	7.13
<b>TOTAL</b>	<b>18,265.29</b>	<b>10,460.48</b>
➤ Cash at Bank (Current & Flexi Deposit A/cs) include amounts held in the Separate Bank Accounts maintained on behalf of Clients.	17,890.53	10,019.24

## NOTE 16 - OTHER BANK BALANCES

(₹ in lakhs)

Particulars	AS AT 31.03.2022	AS AT 31.03.2021
(a) Fixed Deposits with more than 3 months maturity which are due for maturity within 12 months from balance sheet date	50,651.40	51,805.00
(b) Interest accrued but not due on Fixed Deposits	622.68	898.10
<b>TOTAL</b>	<b>51,274.08</b>	<b>52,703.10</b>
➤ Other Bank Balances include amounts earmarked / available for specified purposes as under :		
i) CSR and SD Expenditure	193.35	265.81
➤ Other Bank Balances include amounts held as margin money & security under lien against borrowings, etc.	10,259.40	9,201.00
➤ Other Bank Balances include Deposits with more than 12 months maturity	-	-

## NOTE 17 - LOANS (CURRENT)

(₹ in lakhs)

Particulars	AS AT 31.03.2022		AS AT 31.03.2021	
<b>(a) Loans to Related Parties</b>		-		-
<b>(b) Others</b>				
(i) Advance to Employees				
Considered Good - Secured ##	-		-	
Considered Good - Unsecured	211.84		271.41	
Significant increase in Credit Risk	-		-	
Credit Impaired	-	211.84	-	271.41
(ii) Interest Receivable on Advance to Employees ##		0.52		0.69
(iii) Claims Recoverable				
Considered Good - Secured	-		-	
Considered Good - Unsecured	374.20		320.14	
Significant increase in Credit Risk	-		-	
Credit Impaired	2,430.79		2,314.06	
	2,804.99		2,634.20	
Less : Provision for Doubtful Claims Recoverable	2,430.79	374.20	2,314.06	320.14
<b>TOTAL</b>		<b>586.56</b>		<b>592.24</b>

## Secured against buildings and vehicles

## NOTE 18 - OTHER FINANCIAL ASSETS (CURRENT)

(₹ in lakhs)

Particulars		AS AT 31.03.2022		AS AT 31.03.2021	
<b>(a)</b>	<b>Security Deposits</b>				
	Deposit with Others				
	Considered Good - Secured	-		-	
	Considered Good - Unsecured	162.48		207.60	
	Significant increase in Credit Risk	-		-	
	Credit Impaired	3.84		9.41	
		166.32		217.01	
	Less : Provision for Doubtful Deposit with Others	3.84	<b>162.48</b>	9.41	207.60
<b>(b)</b>	<b>Jobs-in-Progress for Consultancy Services</b>	7,177.62		7,726.75	
	<i>Valued as per Accounting Policy (NOTE 2, Sl.No.9)</i>				
	Less : Provision for Stagnant Jobs-in-Progress	2,734.22	<b>4,443.40</b>	2,539.07	5,187.68
<b>(c)</b>	<b>Other Receivables</b>		<b>498.58</b>		147.86
	<b>TOTAL</b>		<b>5,104.46</b>		<b>5,543.14</b>

## NOTE 19 - CURRENT TAX ASSETS (NET)

(₹ in lakhs)

Particulars	AS AT 31.03.2022	AS AT 31.03.2021
Payment against Income Taxes (Net)	<b>3,948.50</b>	996.19
<b>CURRENT TAX ASSETS / (LIABILITIES)</b>	<b>3,948.50</b>	<b>996.19</b>

## NOTE 20 - OTHER CURRENT ASSETS

(₹ in lakhs)

Particulars		AS AT 31.03.2022		AS AT 31.03.2021	
<b>(a)</b>	<b>Advances other than capital advances</b>				
	(i) Security Deposits		-		-
	(ii) Advances to related parties		-		-
	(iii) Other Advances				
	- Advances to Contractors *		<b>32.14</b>		17.60
	- Advance to Suppliers and Sub-Contractors				
	Considered Good - Secured #	815.59		773.95	
	Considered Good - Unsecured	11.09		11.09	
	Considered Doubtful	0.06		0.06	
		826.74		785.10	
	Less : Provision for doubtful advance to Suppliers and Sub-Contractors	0.06		0.06	
			<b>826.68</b>		785.04

\* Considered Good - Unsecured

# Secured against bank guarantee / materials supplied / work done, as the case may be



## NOTE 20 - OTHER CURRENT ASSETS (Contd.)

(₹ in lakhs)

Particulars		AS AT 31.03.2022		AS AT 31.03.2021	
-	Advance to Others & Canteen *		35.95		14.41
-	Prepaid Expenses *		55.72		32.54
-	Payment against Sales Tax / VAT (Net) *		993.62		1,005.09
-	OUTPUT VAT Receivable				
	Considered Good - Unsecured	40.67		40.67	
	Considered Doubtful	19.96		19.96	
		60.63		60.63	
	Less : Provision for Output VAT Receivable	19.96	40.67	19.96	40.67
-	VAT / CST Receivable				
	Considered Good - Unsecured	-		-	
	Considered Doubtful	424.89		424.89	
		424.89		424.89	
	Less : Provision for VAT Receivable	424.89	-	424.89	-
-	Service Tax Receivable				
	Considered Good - Unsecured	23.74		32.54	
	Considered Doubtful	1,537.62		1,567.68	
		1,561.36		1,600.22	
	Less : Provision for Service Tax Receivable	1,537.62	23.74	1,567.68	32.54
-	GST Receivable				
	Considered Good - Unsecured	8,027.27		7,070.16	
	Considered Doubtful	605.25		160.47	
		8,632.52		7,230.63	
	Less : Provision for GST Receivable	605.25	8,027.27	160.47	7,070.16
-	Receivable against Deposit Works *		378.09		-
(b)	<b>Others</b>				
-	Liquidated Damages Recovered by Clients				
	Considered Good - Unsecured	-		0.22	
	Considered Doubtful	-		-	
		-		0.22	
	Less : Provision for doubtful liquidated damages recovered	-	-	-	0.22
	<b>TOTAL</b>		<b>10,413.88</b>		<b>8,998.27</b>

\* Considered Good - Unsecured

## NOTE 21 : EQUITY SHARE CAPITAL

(₹ in lakhs)

	AS AT 31.03.2022	AS AT 31.03.2021
<b>AUTHORISED #</b>		
<b>Equity Shares</b>		
4,10,00,000 (Previous year 4,10,00,000) Equity Shares of ₹ 10/- each	<b>4,100.00</b>	<b>4,100.00</b>
	<b>4,100.00</b>	<b>4,100.00</b>
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP</b>		
<b>Equity Shares</b>		
4,01,38,360 ( Previous year 4,01,38,360 ) Equity Shares of ₹ 10/- each with voting rights.	<b>4,013.84</b>	4,013.84
a) 4,01,38,120 equity shares are held as fully paid-up by the President of India.		
b) 120 equity shares are held as fully paid-up by the Govt. Director of the company		
c) 120 equity shares are held as fully paid-up by the Chairman and Managing Director of the company.		
Out of the total shares,		
▶ 20,14,800 equity shares are allotted as fully paid-up for consideration other than cash, pursuant to the Government of India, Ministry of Steel & Mines letter No. 6(100)/78-SAIL(1) dated 15th May, 1979 as consideration for net book value of immovable assets of M/s Hindustan Steel Limited at Ranchi transferred to the Company.		
▶ 4,03,060 equity shares are allotted as fully paid-up Bonus Shares during 1996-97		
▶ 77,20,000 equity shares are allotted as fully paid-up against conversion of Govt. of India Loan and Interest on Loan vide Government of India, Ministry of Steel Order No.4(46)/2004-HSM dated 30th March,2007		
<b>TOTAL</b>	<b>4,013.84</b>	<b>4,013.84</b>

# The Authorised Share Capital of the Company is ₹104,00,00,000/- (Previous Year ₹104,00,00,000/-) divided into 4,10,00,000 (Previous Year 4,10,00,000) Equity Shares of ₹10/- (Previous Year ₹10/-) each and 6,30,00,000 (Previous year 6,30,00,000) 5% Non-Cumulative Redeemable Preference Shares of ₹10/- (Previous Year ₹10/-) each. Authorised Share Capital of 5% Non-Cumulative Redeemable Preference Shares is not considered above in accordance with the requirement of Ind AS.

### RECONCILIATION OF THE NUMBER OF SHARES OUTSTANDING

	AS AT 31.03.2022	AS AT 31.03.2021
<b>Equity Shares</b>		
Number of Shares Outstanding at the beginning	<b>40,138,360</b>	40,138,360
Number of Shares Issued during the period	-	-
Number of Shares Bought Back during the period	-	-
Number of Shares Outstanding at the end	<b>40,138,360</b>	40,138,360

## NOTE 22 : OTHER EQUITY

(₹ in lakhs)

	AS AT 31.03.2022		AS AT 31.03.2021	
<b>A. RESERVES AND SURPLUS</b>				
<b>Capital Redemption Reserve #</b>				
As per last Balance Sheet		<b>6,300.00</b>		6,300.00
<b>CSR Activity Reserve ##</b>				
As per last Balance Sheet	<b>84.74</b>		35.44	
Add: Transferred from Surplus	<b>77.38</b>		93.99	
Less: Transferred to Surplus	<b>149.84</b>	<b>12.28</b>	44.69	84.74
<b>General Reserve ###</b>				
As per last Balance Sheet	<b>9,852.39</b>		9,852.39	
Add: Transferred from Surplus	-	<b>9,852.39</b>	-	9,852.39
<b>Retained Earnings ####</b>				
As per last Balance Sheet	<b>21,554.58</b>		23,146.94	
Add: Net Profit / (Loss) from Statement of Profit and Loss	<b>1,369.85</b>		624.37	
Add: Transferred from CSR Activity Reserve	<b>149.84</b>		44.69	
<b>Amount available for appropriation</b>	<b>23,074.27</b>		23,816.00	
Less: Transferred to CSR Activity Reserve	<b>77.38</b>		93.99	
Less: Dividend on Equity Shares	-		2,167.43	
Less: Transferred to General Reserve	-	<b>22,996.89</b>	-	21,554.58
<b>B. OTHER COMPREHENSIVE INCOME *</b>				
As per last Balance Sheet	<b>(4,696.79)</b>		(3,524.47)	
Add: Other Comprehensive Income from Statement of Profit and Loss	<b>(186.06)</b>	<b>(4,882.85)</b>	(1,172.32)	(4,696.79)
<b>TOTAL</b>		<b>34,278.71</b>		<b>33,094.92</b>

# As per provisions of the Companies Act, the Company has created Capital Redemption Reserve on redemption of 6,30,00,000 5% Non Cumulative Redeemable Preference Shares of ₹10/- each out of available profits. The Capital Redemption Reserve Account shall be utilised as per provisions of the Act.

## As per provisions of the Companies Act, the Company has transferred / appropriated necessary CSR amount from Surplus to CSR Activity Reserve Account which is utilised by the Company for CSR Project / Activities, etc.

### As per provisions of the Companies Act, the General Reserve is created out of the accumulated profits of the Company.

#### Retained Earnings represent the amount of accumulated earnings of the Company after considering Dividend including Dividend Distribution Tax paid during the year, net adjustment due to CSR Activity, net cumulative impact of transition to adoption of Ind AS 115 and the profits made by the Company during the year

\* As per provisions of the Companies Act, Other Comprehensive Income represents balance arising on account of gains / losses booked on Re-measurement of Net Defined Benefit Plans.

## NOTE 23 - TRADE PAYABLES (NON-CURRENT)

(₹ in lakhs)

Particulars	AS AT 31.03.2022	AS AT 31.03.2021
<b>Trade Payables</b>		
i) Dues to Micro & Small Enterprises (Refer Note 42.18) (due but not payable on reporting date as per contract)	<b>1,604.32</b>	1,514.85
ii) Others	<b>3,120.21</b>	2,959.27
<b>TOTAL</b>	<b>4,724.53</b>	<b>4,474.12</b>

## NOTE 24 - OTHER FINANCIAL LIABILITIES (NON-CURRENT)

(₹ in lakhs)

Particulars	AS AT 31.03.2022	AS AT 31.03.2021
<b>(a) Other Payables</b>		
(i) Sundry Creditors	<b>154.51</b>	171.87
(ii) Securities and Other Deposits	<b>1,492.13</b>	1,253.44
(iii) Deposit under Employees Family Benefit Scheme	<b>544.74</b>	238.97
(iv) Liability for Employees	<b>539.30</b>	270.77
<b>TOTAL</b>	<b>2,730.68</b>	<b>1,935.05</b>

## NOTE 25 - PROVISIONS (NON-CURRENT)

(₹ in lakhs)

Particulars	AS AT 31.03.2022		AS AT 31.03.2021	
<b>(a) Provision for Employee Benefits</b>				
(i) Provision for Gratuity (Present Value of Defined Benefit Obligation as per actuarial valuation)	2,806.32		3,062.14	
(ii) Provision for Leave Encashment (Present Value of Defined Benefit Obligation as per actuarial valuation)	13,575.12		14,172.51	
(iii) Provision for Other Employee Defined Benefit Schemes (Present Value of Defined Benefit Obligation as per actuarial valuation)	6,803.53		6,765.11	
		<b>23,184.97</b>		23,999.76
<b>(b) Other Provisions</b>				
(i) Provision for Miscellaneous Deduction by Clients		<b>2,189.95</b>		1,631.72
(ii) Provision for Disputed Cases		<b>285.13</b>		285.13
<b>TOTAL</b>		<b>25,660.05</b>		<b>25,916.61</b>

## NOTE 26 - OTHER NON-CURRENT LIABILITIES

(₹ in lakhs)

Particulars	AS AT 31.03.2022	AS AT 31.03.2021
(i) Advances from Clients	11.19	11.19
(ii) Liquidated Damages Recovered from Parties	351.62	361.64
<b>TOTAL</b>	<b>362.81</b>	<b>372.83</b>

## NOTE 27 - BORROWINGS (CURRENT)

(₹ in lakhs)

Particulars	AS AT 31.03.2022	AS AT 31.03.2021
(a) <b>Working Capital Borrowings from Bank</b> (Secured against Fixed Deposits with Banks under lien)	-	-
(b) <b>Current Maturity of Non-Current Borrowings</b>	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

## NOTE 28 - TRADE PAYABLES (CURRENT)

(₹ in lakhs)

Particulars	AS AT 31.03.2022	AS AT 31.03.2021
<b>Trade Payables</b>		
(i) Dues to Micro & Small Enterprises (Refer Note 42.18) (due but not payable on reporting date as per contract)	2,292.03	3,734.63
(ii) Others	12,260.52	11,378.91
<b>TOTAL</b>	<b>14,552.55</b>	<b>15,113.54</b>

### Trade Payables ageing Schedule

(₹ in lakhs)

Sl. No.	Particulars	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	
(i)	MSME	863.03 <i>(2,793.49)</i>	504.65 <i>(117.30)</i>	153.57 <i>(125.96)</i>	770.78 <i>(697.88)</i>	2,292.03 <i>(3,734.63)</i>
(ii)	Others	6,752.44 <i>(4,227.09)</i>	913.25 <i>(641.08)</i>	324.76 <i>(945.22)</i>	4,102.52 <i>(5,565.52)</i>	12,092.97 <i>(11,378.91)</i>
(iii)	Disputed dues - MSME	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	167.55	167.55

Figures in bracket and italics relates to previous year

## NOTE 29 - OTHER FINANCIAL LIABILITIES (CURRENT)

(₹ in lakhs)

Particulars		AS AT 31.03.2022	AS AT 31.03.2021
(a)	Interest accrued but not due on borrowings	-	-
(b)	Interest accrued and due on borrowings	-	-
(c)	<b>Other Payables</b>		
	(i) Sundry Creditors	5,421.84	4,273.19
	(ii) Securities and other deposits	662.02	700.94
	(iii) Deposit under Employees Family Benefit Scheme	17.73	113.90
	(iv) Liability for Employees	7,189.75	6,017.83
	(v) Invoice raised but not accrued (Net)	22,826.63	24,769.37
	<b>TOTAL</b>	<b>36,117.97</b>	<b>35,875.23</b>

## NOTE 30 - OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars		AS AT 31.03.2022	AS AT 31.03.2021
(i)	Advances from Clients	3,079.30	3,051.22
(ii)	Deposit from Clients (Deposit Works)	14,695.29	9,168.50
(iii)	Liquidated Damages Recovered from Parties	10.32	12.31
(iv)	VAT / Central Sales Tax Liability	131.45	137.42
(v)	Service Tax Liability	2.74	1.11
(vi)	GST Payable	4,169.05	3,770.27
(vii)	Others (including CSR / SD Fund)	431.44	248.29
	<b>TOTAL</b>	<b>22,519.59</b>	<b>16,389.12</b>

## NOTE 31 - PROVISIONS (CURRENT)

(₹ in lakhs)

Particulars		AS AT 31.03.2022		AS AT 31.03.2021	
<b>(a)</b>	<b>Provision for Employee Benefits</b>				
	(i) Provision for Gratuity (Present Value of Defined Benefit Obligation as per actuarial valuation)	<b>1,128.27</b>		1,200.31	
	(ii) Provision for Leave Encashment (Present Value of Defined Benefit Obligation as per actuarial valuation)	<b>1,214.86</b>		1,015.68	
	(iii) Provision for Other Employee Defined Benefit Schemes (Present Value of Defined Benefit Obligation as per actuarial valuation)	<b>502.38</b>		473.10	
	(iv) Provision for Employee Defined Contribution Schemes	<b>3,306.16</b>		1,630.82	
			<b>6,151.67</b>		4,319.91
<b>(b)</b>	<b>Other Provisions</b>				
	(i) Provision for Bonus		<b>12.06</b>		14.19
	(ii) Provision for Expenses & Contractual Obligations		<b>3,217.15</b>		3,279.36
	(iii) Provision for Miscellaneous Deductions by Clients		<b>314.62</b>		577.99
	<b>TOTAL</b>		<b>9,695.50</b>		<b>8,191.45</b>

## NOTE 32 - REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars		2021-22	2020-21
<b>(a)</b>	<b>Revenue from Consultancy Services</b>	<b>38,285.59</b>	29,186.81
<b>(b)</b>	<b>Revenue from Construction Contracts</b>	<b>19,316.66</b>	18,250.08
<b>(c)</b>	<b>Revenue from Procurement Services</b>	<b>1,064.87</b>	24,363.56
<b>(d)</b>	<b>Other Operating Revenue</b>		
	(i) Provision no longer required written back (Direct)	<b>1,141.50</b>	2,951.89
	(ii) Others	<b>466.61</b>	460.03
	<b>TOTAL</b>	<b>60,275.23</b>	<b>75,212.37</b>

### NOTE 32.1 - GROSS INCOME DERIVED FROM SERVICES RENDERED

[Refer Note 32(a), 32(b) and Note 32(c)]

(₹ in lakhs)

Particulars		2021-22	2020-21
(a)	Engineering, Technical Consultancy, Project Management Services, etc. - Domestic	<b>37,825.20</b>	28,823.11
(b)	Engineering, Technical Consultancy, Project Management Services, etc. - Foreign	<b>460.39</b>	363.70
(c)	Execution of Construction Contracts/EPC Contracts including Supply of Equipment & Components, etc.	<b>19,316.66</b>	18,250.08
(d)	Execution of Procurement Services	<b>1,064.87</b>	24,363.56
	<b>TOTAL</b>	<b>58,667.12</b>	<b>71,800.45</b>

## NOTE 33 - OTHER INCOME

(₹ in lakhs)

Particulars		2021-22	2020-21
<b>(a)</b>	<b>Interest Income</b>		
	(i) Interest from Bank (Tax deducted at Source ₹ 212.85 lakhs) (CPLY ₹ 159.25 lakhs)	<b>2,223.99</b>	2,505.71
	(ii) Interest from Income Tax Department and Others	<b>3.43</b>	638.13
<b>(b)</b>	<b>Dividend Income from Non-Current Investment</b>	<b>1.60</b>	1.60
<b>(c)</b>	<b>Other Non-Operating Income</b>		
	(i) Gain / (Loss) on Redemption of Investments in Mutual Funds	<b>0.72</b>	0.32
	(ii) Profit on Sale / Disposal of Fixed Assets	<b>0.74</b>	-
	(iii) Income from Township	<b>1,165.77</b>	932.48
	(iv) Provision no longer required written back	<b>279.57</b>	314.87
	(v) Miscellaneous Income	<b>170.01</b>	51.70
	<b>TOTAL</b>	<b>3,845.83</b>	<b>4,444.81</b>

## NOTE 34 - PURCHASE OF EQUIPMENTS & DIRECT EXPENSES

(₹ in lakhs)

Particulars		2021-22	2020-21
<b>(a)</b>	<b>Purchase of Equipments &amp; Components for execution of jobs</b>	<b>5,299.84</b>	2,895.76
<b>(b)</b>	<b>Expenses on Sub-Contractors &amp; Others for execution of jobs</b>	<b>13,750.66</b>	10,380.91
<b>(c)</b>	<b>Expenses on Procurement</b>	-	22,117.43
<b>(d)</b>	<b>Provision for Expenses &amp; Contractual Obligations for execution of jobs</b>	<b>25.52</b>	72.73
	<b>TOTAL (a)+(b)+(c)+(d)</b>	<b>19,076.02</b>	<b>35,466.83</b>

## NOTE 35 - (ACCRETION) / DECRETION TO JOBS-IN-PROGRESS

(₹ in lakhs)

Particulars		2021-22	2020-21
<b>(a)</b>	<b>Opening Jobs-in-Progress (Consultancy)</b>	<b>7,726.75</b>	9,089.47
<b>(b)</b>	<b>Closing Jobs-in-Progress (Consultancy)</b>	<b>7,177.62</b>	7,726.75
	<b>(a)-(b)</b>	<b>549.13</b>	<b>1,362.72</b>



## NOTE 36 - EMPLOYEE BENEFITS EXPENSES

(₹ in lakhs)

Particulars		2021-22	2020-21
<b>(a)</b>	<b>Salaries &amp; Wages</b>		
	- Salary and Allowances	21,308.55	21,474.05
	- Leave Encashment	1,925.48	2,062.57
	- Perks and Allowances	2,880.19	3,341.11
	- Bonus	1.91	7.19
	- Superannuation Benefits	1,956.46	1,234.74
	<b>Sub-Total</b>	<b>28,072.59</b>	<b>28,119.66</b>
<b>(b)</b>	<b>Company's Contribution to Provident and Other Fund</b>	<b>3,229.97</b>	<b>3,302.53</b>
<b>(c)</b>	<b>Staff Welfare Expenses</b>		
	- Education	4.50	3.17
	- Medical	797.92	515.24
	- Social & Cultural Activities	48.73	45.53
	- Rent (Residential)	44.03	49.21
	- Group Insurance Premium	0.60	0.01
	- Staff Welfare (Others)	217.26	210.54
	<b>Sub-Total</b>	<b>1,113.04</b>	<b>823.70</b>
<b>TOTAL (a)+(b)+(c)</b>		<b>32,415.60</b>	<b>32,245.89</b>

## NOTE 37 - FINANCE COSTS

(₹ in lakhs)

Particulars		2021-22	2020-21
<b>(a)</b>	<b>Interest</b>		
	Interest on Loan from Banks	62.16	52.38
	<b>Sub-Total (a)</b>	<b>62.16</b>	<b>52.38</b>
<b>(b)</b>	<b>Other Borrowing Costs</b>		
i)	Bank Charges	42.61	2.59
ii)	Bank Guarantee Commission	46.60	76.62
	<b>Sub-Total (b)</b>	<b>89.21</b>	<b>79.21</b>
<b>TOTAL (a) + (b)</b>		<b>151.37</b>	<b>131.59</b>

## NOTE 38 - DEPRECIATION AND AMORTISATION EXPENSES

(₹ in lakhs)

Particulars		2021-22	2020-21
<b>a)</b>	<b>Depreciation</b>	<b>609.26</b>	<b>576.22</b>
<b>b)</b>	<b>Amortisation</b>	<b>81.22</b>	<b>52.79</b>
<b>TOTAL (a) + (b)</b>		<b>690.48</b>	<b>629.01</b>

## NOTE 39 - OTHER EXPENSES

(₹ in lakhs)

Particulars		2021-22		2020-21	
1.	Travelling Expenses		<b>1,568.14</b>		1,115.09
2.	Foreign Deputation		<b>58.76</b>		12.55
3.	Maintenance & Repairs to Buildings		<b>1,712.05</b>		1,438.02
4.	Repairs (Others)		<b>53.34</b>		28.55
5.	Stores & Spares consumed		<b>129.09</b>		83.77
6.	Printing & Stationery consumed		<b>48.09</b>		83.10
7.	Expenses on Computer Consumables		<b>46.08</b>		28.48
8.	Rent (Non-residential)		<b>410.37</b>		323.88
9.	Rates & Taxes		<b>102.02</b>		67.03
10.	Advertisement & Publicity		<b>43.04</b>		28.79
11.	Payment to Auditors :				
	- As Statutory Auditor	<b>4.00</b>		4.00	
	- For Income Tax / GST Audit Matters	<b>0.60</b>		0.60	
	- For Quarterly Audit	<b>3.00</b>		3.00	
	- For reimbursement of expenses	<b>2.94</b>	<b>10.54</b>	3.30	10.90
12.	Insurance		<b>14.36</b>		16.09
13.	Training Expenses :				
	- Inland	<b>24.25</b>		23.79	
	- Foreign	-	<b>24.25</b>	-	23.79
14.	Postage & Telecommunications		<b>117.41</b>		101.59
15.	Computer Services		<b>196.67</b>		149.53
16.	Power and Fuel		<b>426.09</b>		413.20
17.	Legal & Professional Charges		<b>111.72</b>		141.81
18.	Assets Charged to Revenue		<b>0.48</b>		2.51
19.	Other Administrative and Misc. Expenses		<b>1,196.98</b>		1,052.06
20.	Expenses on CSR and Sustainable Development		<b>149.84</b>		44.69
21.	Expenses on Research & Development		<b>1.08</b>		-
22.	Expenses on COVID-19		-		515.00
23.	Loss on Sale / Disposal of Fixed Assets		<b>0.66</b>		0.75
24.	Provisions				
	- Provision for Doubtful Trade Receivables / ECL		<b>1,564.45</b>		1,083.40
	- Provision for Claims Recoverable		<b>116.73</b>		78.57
	- Provision for Doubtful Deposit with Others		<b>42.64</b>		-
	- Provision for Earnest Money Deposit		<b>2.00</b>		-
	- Provision for Stagnant Jobs-in-Progress		<b>372.68</b>		390.42
	- Provision for Service Tax Receivable		<b>9.23</b>		0.54
	- Provision for VAT / Cess Receivable		<b>0.01</b>		-
	- Provision for GST Receivable		<b>456.35</b>		87.38
	- Provision for Doubtful ITDS Credit		-		8.17
	- Provision for Misc. Deduction by Clients		<b>299.65</b>		580.63
	<b>TOTAL</b>		<b>9,284.80</b>		<b>7,910.29</b>

## NOTE 40: CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

(₹ in lakhs)

Particulars		31.03.2022	31.03.2021
<b>40.1</b>	<b>Contingent Liabilities</b>		
i)	Claims against Company under liquidated damage clause by the Clients.	NIL	NIL
ii)	Income tax in dispute / under appeal	781.60	781.60
iii)	Sales tax demands pending appeals with Appellate Authorities.	1,997.05	2,004.93
iv)	Excise Duty / Service Tax demands pending appeals with Appellate Authorities.	230.65	230.65
v)	Claims against Company by Contractors / Suppliers, etc. pending final decision.	14,015.77 <sup>#</sup>	7,493.15
vi)	Claims against Company for electricity supply by Jharkhand Urja Vikas Nigam Limited (JUVNL) in dispute ₹2,486.07 lakhs. Out of this, ₹527.14 lakhs is paid / provided in accounts pending final decision during the FY 2015-16.	1,958.93	1,958.93
vii)	The Regional Provident Fund Commissioner-II, Jharkhand, Ranchi ordered for payment of ₹385.27 lakhs by way of interest and penalty to the BOT, arising out of delayed remittances by the Company to the BOT, MECON Employees Provident Fund Trust. The Company disputed the same and filed an appeal with EPF, Appellate Tribunal, New Delhi after depositing ₹96.32 lakhs as interim adhoc advance. The Hon'ble High Court of Jharkhand, vide order dated 30th July, 2012 has directed Provident Fund Commissioner, Ranchi to decide the question of delay in payment and determine the quantum of damages with a view to re-assess the liability of the Company, setting aside all earlier orders. RPF has worked out liability of ₹326.02 lakhs vide their letter dated 28.08.2013. Provision of ₹3.11 lakhs has been made during 2013-14 based on Company's calculation pending final decision. Out of the above, the Regional Provident Fund Commissioner-I, Jharkhand, Ranchi vide their letter dated 17.03.2015, demanded ₹116.86 lakhs towards interest and penalty, arising out of delayed remittances of PF and Pension amounts for the period from April, 1971 to February, 2001. Writ Petition has been filed before Hon'ble Jharkhand High Court against the order dated 14.02.2017 passed by EPF, Appellate Tribunal, New Delhi.	322.91	322.91
viii)	Arrears Perks and Allowances in respect of executive employees for the period 26.11.2008 to 20.10.2009 as estimated following the order no. O.A. 350/00191/2014 dated 15.02.2016 issued by the Central Administrative Tribunal, Calcutta Bench. The matter is in dispute and is pending before the Hon'ble Calcutta High Court as intimated by the Ministry of Steel.	3,079.66	3,079.66
ix)	Interest on arrear perks and allowances in respect of executive employees as determined upto 31.03.2022 following order no. O.A. 350/00191/2014 dated 15.02.2016 passed by the Central Administrative Tribunal, Calcutta Bench, pending final decision.	6,901.52	6,347.18

<sup>#</sup> Note No. 40.1 (v) includes contingent liability in r/o M/s NP Construction (a sub-contractor of MECON) who had filed an application before Jharkhand Micro and Small Enterprises Facilitation Council (Council) (MSEFC) claiming outstanding payment of ₹ 1,149.96 Lakhs plus interest thereon against work orders related to Coke Oven Battery # 1,2 and 5 of Bokaro Steel Plant. The Company had already paid an amount of ₹ 390.25 Lakhs to them successively based on Minutes of Meeting (MOM) dated 02.08.2019. MECON has refuted the balance claim being not payable as the same was agreed by M/s NP Construction vide MOM dated 02.08.2019. The MSEFC vide order dated 24.08.2021, awarded the balance of the claimed amount by NP Construction along with interest as per MSMED Act. Subsequently, the Company filed Writ Petition with Hon'ble High Court of Jharkhand to challenge order of MSEFC and the decision is pending.

Since the matter is sub-judice, the disputed amount of claim for ₹ 759.71 Lakhs plus interest thereon is disclosed under Contingent Liability.

(₹ in lakhs)

Particulars		31.03.2022	31.03.2021
<b>40.2</b>	<b>Commitments</b>	1,634.05	18.00
	Estimated amount of contracts/orders remaining to be executed/supplied on capital account and not provided for		

## NOTE 41: PROPOSED DIVIDEND

Particulars	2021-22	2020-21
Proposed Dividend on Equity Shares		
Total Dividend (₹ in lakhs)	<b>410.96</b>	NIL
Dividend per share (₹)	<b>1.02</b>	NIL

## NOTE 42: ADDITIONAL INFORMATION AND OTHER DISCLOSURES

(₹ in lakhs)

Particulars		2021-22		2020-21	
42.1	Letters of Credit opened with Bankers for purchase of equipment & components and technical services.	NIL		NIL	
42.2	Guarantees given by Banks for and on behalf of the Company to different clients etc.	<b>20,002.91</b>		18,473.57	
42.3	Earnings in Foreign Exchange Fees for services rendered.	<b>460.39</b>		363.70	
42.4	Expenditure in Foreign Currency				
	(i) Professional and Consultation Fees	<b>NIL</b>		NIL	
	(ii) Other matters	<b>11.10</b>	<b>11.10</b>	<u>21.63</u>	21.63
42.5	Value of Imports (Calculated on CIF basis)				
	(i) Equipment, components & spares parts used in construction contract	<b>NIL</b>		820.50	
	(ii) Capital goods	<b>NIL</b>	<b>NIL</b>	<u>NIL</u>	820.50
42.6	(i) Expenses on Advertisement & Publicity				
	a) Advertisement	<b>38.28</b>		9.10	
	b) Publicity	<b>4.76</b>	<b>43.04</b>	<u>19.69</u>	28.79
	(ii) Expenses on Public Relation Establishment		<b>113.98</b>		103.83
42.7	Expenses on Engineering, Research & Development Wing / establishment, including capital assets		<b>72.71</b>		95.37

### 42.8 PARTICULARS OF PROVISIONS

(₹ in lakhs)

PARTICULARS	Provision for Bonus	Provision for Bad & Doubtful Trade Receivables	Provision for Liquidated Damages recovered by Clients	Provision for Claims Recoverable	Provision for Doubtful Earnest Money Deposit	Provision for Doubtful Deposit with Others	Provision for doubtful advances to suppliers/sub-contractors	Provision for Miscellaneous Deductions by Clients	Provision for Disputed Cases, Stagnant jobs, EMD, SD, etc
Opening Balance as on 01.04.2021	<b>14.19</b> <i>(11.71)</i>	<b>9,957.50</b> <i>(9,318.56)</i>	<b>7.92</b> <i>(7.92)</i>	<b>2,402.48</b> <i>(2,460.92)</i>	<b>69.96</b> <i>(69.96)</i>	<b>34.03</b> <i>(34.03)</i>	<b>361.18</b> <i>(361.18)</i>	<b>2,209.71</b> <i>(2,059.78)</i>	<b>5,975.19</b> <i>(5,751.41)</i>
Add: Provision made during the year	<b>8.40</b> <i>(8.57)</i>	<b>1,564.45</b> <i>(1,083.40)</i>	<b>NIL</b> <i>(NIL)</i>	<b>116.73</b> <i>(78.57)</i>	<b>2.00</b> <i>(NIL)</i>	<b>42.64</b> <i>(NIL)</i>	<b>NIL</b> <i>(NIL)</i>	<b>299.65</b> <i>(580.63)</i>	<b>838.27</b> <i>(486.51)</i>
Less : Provision utilised during the year	<b>4.04</b> <i>(4.71)</i>	<b>148.59</b> <i>(29.65)</i>	<b>NIL</b> <i>(NIL)</i>	<b>NIL</b> <i>(NIL)</i>	<b>NIL</b> <i>(NIL)</i>	<b>NIL</b> <i>(NIL)</i>	<b>NIL</b> <i>(NIL)</i>	<b>NIL</b> <i>(NIL)</i>	<b>32.48</b> <i>(17.37)</i>
Less : Unused provision reversed during the year	<b>6.49</b> <i>(1.38)</i>	<b>600.59</b> <i>(414.81)</i>	<b>NIL</b> <i>(NIL)</i>	<b>62.99</b> <i>(137.01)</i>	<b>4.02</b> <i>(NIL)</i>	<b>NIL</b> <i>(NIL)</i>	<b>NIL</b> <i>(NIL)</i>	<b>4.79</b> <i>(430.70)</i>	<b>195.92</b> <i>(245.36)</i>
Closing Balance as on 31.03.2022	<b>12.06</b> <i>(14.19)</i>	<b>10,772.77</b> <i>(9,957.50)</i>	<b>7.92</b> <i>(7.92)</i>	<b>2,456.22</b> <i>(2,402.48)</i>	<b>67.94</b> <i>(69.96)</i>	<b>76.67</b> <i>(34.03)</i>	<b>361.18</b> <i>(361.18)</i>	<b>2,504.57</b> <i>(2,209.71)</i>	<b>6,585.06</b> <i>(5,975.19)</i>

Figures in bracket and italics relates to previous year

## 42.9 DISCLOSURE UNDER IND AS -19 ON "EMPLOYEE BENEFITS"

## A Defined Benefit Scheme

## A.1 General Description of Defined Benefit Schemes:

<b>Gratuity:</b>	Payable on separation @ 15 days salary for each completed year of service or part thereof in excess of six months to eligible employees who render continuous service of 5 years or more. Beyond 30 years of service, gratuity is payable at the rate of one month's / 30 days salary for each completed year of service in excess of 30 years. The maximum limit of gratuity is ₹20.00 lakhs w.e.f. 29.03.2018.
<b>Leave Encashment:</b>	Payable on separation to eligible employees who have accumulated earned leave and half pay leave. Maximum limit of accumulation is 300 days (both earned leave and half pay leave taken together). However, no commutation of HPL would be permissible for the purpose of encashment of 300 days leave as above. Employees in service become entitled to en-cash, in a calendar year, not more than 50% of the earned leave at credit at the time of application or 30 days, whichever is less and the balance earned leave shall not be less than 60 days after such encashment.
<b>Provident Fund:</b>	12% of Basic Pay & Dearness Allowance contributed to the Provident Fund Trust by the Company.
<b>Post Retirement Medical Benefits :</b>	Available to the employees and his spouse after separation (Superannuation/death) at Company's hospitals / under Health Insurance scheme / a fixed amount of ₹2,400/- p.a. under Outdoor Medical Treatment (ODMT) scheme, as applicable.
<b>Post Retirement Settlement Benefits:</b>	Payable to employees / spouse on separation (Superannuation, Voluntary Retirement, Death, Discharge on medical ground and resignation after the age of 57 years) for settlement upto their home town.
<b>Employees' Family Benefit Scheme:</b>	Monthly payments to disabled separated employees / legal heirs of deceased employees in lieu of prescribed deposit till the notional date of superannuation.
<b>Long Service Award :</b>	Payable in kind on rendering 15 years of service and also on rendering 30 years of service.
<b>Retirement Gift :</b>	Payable in kind on retirement.
<b>LTC/LTA :</b>	Non-executive regular employees are entitled to one LTC and one LTA according to rates in the eligible grade, in a block of four years.

## A.2 Reconciliation of Present Value of Defined Benefit Obligation (DBO)

(₹ in lakhs)

Sl.	Particulars	1	2	3	4	5	6	7	8
		Gratuity	Leave Encashment	Post Retirement Medical Benefits	Post Retirement Settlement Benefits	Employee Family Benefit Scheme	Retirement Gift	Long Service Award	LTC/LTA
<b>1</b>	<b>P.V. of DBO (Opening)</b>	<b>10,063.88</b>	<b>15,188.19</b>	<b>2,664.62</b>	<b>175.62</b>	<b>271.48</b>	<b>38.44</b>	<b>73.71</b>	<b>61.60</b>
	<i>P.V. of DBO (Opening) (Previous Year)</i>	<i>10,083.22</i>	<i>13,708.63</i>	<i>2,569.45</i>	<i>173.64</i>	<i>267.94</i>	<i>38.50</i>	<i>69.49</i>	<i>65.10</i>
<b>2</b>	<b>Current Service Cost</b>	<b>393.54</b>	<b>898.76</b>	<b>-</b>	<b>8.93</b>	<b>-</b>	<b>1.80</b>	<b>4.98</b>	<b>-</b>
	<i>Current Service Cost (Previous Year)</i>	<i>412.30</i>	<i>1,137.24</i>	<i>-</i>	<i>9.14</i>	<i>-</i>	<i>1.72</i>	<i>4.80</i>	<i>-</i>
<b>3</b>	<b>Interest Cost</b>	<b>680.32</b>	<b>1,026.72</b>	<b>190.00</b>	<b>11.87</b>	<b>18.35</b>	<b>2.60</b>	<b>5.22</b>	<b>4.16</b>
	<i>Interest Cost (Previous Year)</i>	<i>700.83</i>	<i>925.33</i>	<i>173.69</i>	<i>11.72</i>	<i>18.09</i>	<i>2.60</i>	<i>4.70</i>	<i>4.39</i>
<b>4</b>	<b>Actuarial Loss/ (Gain)</b>	<b>(484.95)</b>	<b>559.12</b>	<b>83.27</b>	<b>(16.47)</b>	<b>52.95</b>	<b>2.88</b>	<b>3.01</b>	<b>8.58</b>
	<i>Actuarial Loss/ (Gain) (Previous Year)</i>	<i>131.44</i>	<i>1,093.15</i>	<i>106.36</i>	<i>(12.27)</i>	<i>28.73</i>	<i>2.18</i>	<i>7.45</i>	<i>0.77</i>
<b>5</b>	<b>Premium Paid</b>	<b>(19.49)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<i>Premium Paid (Previous Year)</i>	<i>(20.19)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>6</b>	<b>Past Service Cost</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<i>Past Service Cost (Previous Year)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>7</b>	<b>Benefit Paid</b>	<b>(1,381.42)</b>	<b>(2,882.81)</b>	<b>(219.31)</b>	<b>(9.08)</b>	<b>(54.42)</b>	<b>(6.09)</b>	<b>(7.19)</b>	<b>(18.34)</b>
	<i>Benefit Paid (Previous Year)</i>	<i>(1,243.72)</i>	<i>(1,676.16)</i>	<i>(184.88)</i>	<i>(6.61)</i>	<i>(43.28)</i>	<i>(6.56)</i>	<i>(12.73)</i>	<i>(8.66)</i>
<b>8</b>	<b>P.V. of DBO (Closing)</b>	<b>9,251.88</b>	<b>14,789.98</b>	<b>2,718.58</b>	<b>170.87</b>	<b>288.36</b>	<b>39.63</b>	<b>79.73</b>	<b>56.00</b>
	<i>P.V. of DBO (Closing) (Previous Year)</i>	<i>10,063.88</i>	<i>15,188.19</i>	<i>2,664.62</i>	<i>175.62</i>	<i>271.48</i>	<i>38.44</i>	<i>73.71</i>	<i>61.60</i>

### A.3 Reconciliation of Fair Value of Plan Assets and Obligations.

The company has wholly/partly funded the gratuity liability through a separate Gratuity Fund. The fair value of the plan assets is mainly based on the information given by LIC through whom the investments have been made by the Fund. Investments of the fund is also made in flexi deposit account with Banks. The reconciliation of Fair Value of Plan Assets of the Gratuity Fund and Defined Benefit Gratuity obligations are as under:

(₹ in lakhs)

Sl.	Particulars	As on 31.03.2022	As on 31.03.2021
1	F.V. of Plan Assets (Opening)	5,801.43	3,830.93
2	Interest Income	392.18	258.59
3	Benefit Payment	(1,360.95)	(1,227.11)
4	Contributions made	501.69	3,001.72
5	Actuarial (Loss)/ Gain	(17.06)	(62.70)
6	F.V. of Plan Assets (Closing)	5,317.29	5,801.43
7	P.V. of D.B.O. (Closing)	9,251.88	10,063.88
	Net liability / (assets) recognised in the Balance Sheet	3,934.59	4,262.45

### A.4 Provident Fund

Company's contribution paid/payable during the year to the Provident Fund Trust are recognised in the Statement of Profit & Loss. The Company's Provident Fund Trust is exempted under section 17 of Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The conditions for grant of exemptions stipulate that the employer shall make good deficiency, if any, in the interest rate declared by the Trusts vis-a-vis statutory rate. The Company has already made adequate provisions in the accounts based on actuarial valuation of Provident Fund. The defined benefit obligations, other than Gratuity and Provident fund, are unfunded.

### A.5 Expenses Recognised in Statement of Profit & Loss

(₹ in lakhs)

Sl.	Particulars	1	2	3	4	5	6	7	8
		Gratuity	Leave Encashment	Post Retirement Medical Benefits	Post Retirement Settlement Benefits	Employee Family Benefit Scheme	Retirement Gift	Long Service Award	LTC/LTA
<b>1</b>	<b>Current Service Cost</b>	<b>393.54</b>	<b>898.76</b>	-	<b>8.93</b>	-	<b>1.80</b>	<b>4.98</b>	-
	<i>Current Service Cost (Previous Year)</i>	412.30	1,137.24	-	9.14	-	1.72	4.80	-
<b>2</b>	<b>Past Service Cost</b>	-	-	-	-	-	-	-	-
	<i>Past Service Cost (Previous Year)</i>	-	-	-	-	-	-	-	-
<b>3</b>	<b>Interest Cost</b>	<b>680.32</b>	<b>1,026.72</b>	<b>190.00</b>	<b>11.87</b>	<b>18.35</b>	<b>2.60</b>	<b>5.22</b>	<b>4.16</b>
	<i>Interest Cost (Previous Year)</i>	700.83	925.33	173.69	11.72	18.09	2.60	4.70	4.39
<b>4</b>	<b>Interest Income on Plan Assets</b>	<b>(392.18)</b>	-	-	-	-	-	-	-
	<i>Interest Income on Plan Assets (Previous Year)</i>	(260.68)	-	-	-	-	-	-	-
	<b>Expenses Recognised in Statement of Profit and Loss</b>	<b>681.68</b>	<b>1,925.48</b>	<b>190.00</b>	<b>20.80</b>	<b>18.35</b>	<b>4.40</b>	<b>10.20</b>	<b>4.16</b>
	<i>Expenses Recognised in Statement of Profit and Loss (Previous Year)</i>	852.45	2,062.57	173.69	20.86	18.09	4.32	9.50	4.39

## A.6 Expenses Recognised in Other Comprehensive Income

(₹ in lakhs)

Sl.	Particulars	1	2	3	4	5	6	7	8
		Gratuity	Leave Encashment	Post Retirement Medical Benefits	Post Retirement Settlement Benefits	Employee Family Benefit Scheme	Retirement Gift	Long Service Award	LTC/LTA
<b>1</b>	<b>Re-measurements due to changes in Demographic Assumptions</b>	-	-	-	-	-	-	-	-
	<i>Re-measurements due to changes in Demographic Assumptions (Prev.Year)</i>	-	-	-	-	-	-	-	-
<b>2</b>	<b>Re-measurements due to changes in Financial Assumptions</b>	<b>(287.19)</b>	<b>(625.10)</b>	<b>(1.25)</b>	<b>(5.21)</b>	<b>(0.19)</b>	<b>(0.26)</b>	<b>(0.42)</b>	<b>(0.57)</b>
	<i>Re-measurements due to changes in Financial Assumptions (Previous Year)</i>	89.55	1,574.48	(1.24)	(0.78)	-	-	(0.13)	-
<b>3</b>	<b>Re-measurements due to changes in Experience Adjustments</b>	<b>(197.76)</b>	<b>1,184.22</b>	<b>84.52</b>	<b>(11.26)</b>	<b>53.14</b>	<b>3.14</b>	<b>3.43</b>	<b>9.15</b>
	<i>Re-measurements due to changes in Experience Adjustments (Previous Year)</i>	41.89	(481.33)	107.60	(11.49)	28.73	2.18	7.58	0.77
<b>4</b>	<b>Return on Plan Assets (excluding Interest Income)</b>	<b>17.06</b>	-	-	-	-	-	-	-
	<i>Return on Plan Assets (excluding Interest Income) (Previous Year)</i>	62.70	-	-	-	-	-	-	-
	<b>Expenses recognised in Other Comprehensive Income</b>	<b>(467.89)</b>	<b>559.12</b>	<b>83.27</b>	<b>(16.47)</b>	<b>52.95</b>	<b>2.88</b>	<b>3.01</b>	<b>8.58</b>
	<i>Expenses recognised in Other Comprehensive Income (Previous Year)</i>	194.14	1,093.15	106.36	(12.27)	28.73	2.18	7.45	0.77

## A.7 Actuarial Assumptions

		2021-22	2020-21
1	Discount Rate (per annum)	7.13%	6.76%
2	Mortality Rate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
3	Withdrawal Rate (per annum)	0.10% to 0.50% depending on age group. 10% flat at all age groups for Contract Employees	0.10% to 0.50% depending on age group. 10% flat at all age groups for Contract Employees
4	Medical Inflation Rate (per annum)	12% for first 5 years and thereafter 8%	12% for first 5 years and thereafter 8%
5	Rate of return on Plan Assets (per annum)	6.75% - 7.37%	6.84% - 7.10%
6	Salary Escalation (per annum)	17% on Basic Pay	17% on Basic Pay
The estimate of future salary increase considered in actuarial valuation, takes into account inflation rate, seniority, promotion and other relevant factors.			

## A.8 Financial Assumptions Sensitivity Analysis

(₹ in lakhs)

Sl. No.	Particulars	0.5 %age decrease in Discount Rate	0.5 %age increase in Discount Rate	0.5 %age decrease in Salary Rate	0.5 %age increase in Salary Rate
1	Gratuity	9,646.12	8,887.59	9,210.24	9,293.56
2	Leave Encashment	15,644.92	14,008.88	14,011.46	15,633.63
3	Post Retirement Settlement Benefits	171.57	170.20	-	-
4	Employee Family Benefit Scheme	294.30	282.43	-	-
5	Retirement Gift	41.99	37.42	-	-
6	Long Service Award	101.89	56.94	-	-
7	LTC/LTA	57.21	54.81	-	-

### A.9 Effect of one percentage point change in the assumed inflation rate in case of valuation of benefits under post-retirement medical benefits scheme:

(₹ in lakhs)

Sl. No.	Particulars	One percentage point increase in medical inflation rate	One percentage point decrease in medical inflation rate
1	Increase/(decrease) on aggregate service cost and interest cost of post retirement medical benefits	319.59	(319.92)
2	Increase/(decrease) on present value of post retirement medical benefit obligations as at 31st, March, 2022	409.13	(405.12)

### A.10 Expected Cash Flows for the following years

(₹ in lakhs)

Period	Gratuity	Leave Encashment
Year 1	1,128.26	1,214.86
Year 2	789.12	874.08
Year 3	753.66	864.04
Year 4	698.47	904.25
Year 5	754.57	1,053.54
Year 6	525.45	761.13
Next 6 years	4,602.35	9,118.08

## B Defined Contribution Scheme

### B.1 Post Retirement Pension Benefits

The Company has Defined Pension Contribution Scheme for employees through a separate trust. The Company's Contribution paid / payable under the Pension Contribution Scheme for executive employees is w.e.f. 01.01.2007 and for non-executive employees is w.e.f 01.01.2012.

### B.2 Expenses recognised in Statement of Profit & Loss for the year

(₹ in lakhs)

Particulars	Post Retirement Pension Benefits	
	2021-22	2020-21
Expenses charged to Statement of Profit and Loss	<b>1,745.80</b>	1,040.33

B.3 Company's Contribution payable under the Defined Pension Contribution Scheme is ₹3,306.16 Lakhs as at 31st March, 2022.



## 42.10 DISCLOSURE UNDER IND AS-24 ON “RELATED PARTY DISCLOSURES”

## i) Related Parties and their relationships :

Name of the Related Party	Nature of Relationship
<b>M/s. Metallurgical &amp; Engineering Consultants (Nigeria) Limited</b>	Joint Venture Company
<b>Board of Trustees, MECON Employees' Provident Fund and Gratuity Fund</b>	Post Employment Benefit Plans

Name of the Related Party	Nature of Relationship
<b>Key Management Personnel</b>	
Shri Atul Bhatt (upto 13.09.2021)	Chairman and Managing Director
Shri Salil Kumar (w.e.f. 13.09.2021)	Chairman and Managing Director (Addl. Charge)
Shri Salil Kumar	Director (Projects)
Shri Rajendra Harbhagwan Singh Juneja	Director (Finance)
Shri Sanjay Kumar Verma	Director (Commercial)
Shri Arun Kumar Agrawal	Director (Technical)
Smt Rasika Chaube	Government Director
Shri Shashank Priya (upto 23.04.2021)	Government Director
Ms. Sukriti Likhi (w.e.f. 23.04.2021)	Government Director
Shri Deepak Krishan (upto 13.12.2021)	Independent Director
Smt Manju Chandra	Independent Director
Shri Sudipta Guha (w.e.f. 01.11.2021 upto 03.12.2021)	Independent Director
Shri Ravi Bambha	Company Secretary
Shri Sanjeev Kumar (upto 31.10.2021)	Executive Director (Corporate Services), Ranchi
Shri G.V. Walimbe (upto 30.06.2021)	Executive Director (Delhi), Delhi
Shri U.K. Viswakarma (w.e.f. 30.06.2021)	Executive Director (Delhi), Delhi
Shri S.K. Bhattacharjee (w.e.f. 30.06.2021)	Executive Director (Metals), Ranchi
Shri Sanjay Kumar Sinha (w.e.f. 30.06.2021)	Executive Director (Commercial), Ranchi
Shri Neeraj Kumar (w.e.f. 30.06.2021)	Executive Director I/c, Nagarnar Office
Dr. Manoranjan Biswas (w.e.f. 30.06.2021)	Executive Director, (IR & Safety), Nagarnar Office
Shri A.K. Bagchi	Incharge, Nagarnar office
Shri A.K. Nan	Incharge, Bhilai office
Shri M. Mukhopadhyay (upto 31.05.2021)	Incharge, Burnpur office
Shri Arun Mondal (w.e.f. 01.06.2021)	Incharge, Burnpur office
Shri Anil Kumar Jha	Incharge, Nalanda office
Shri G. Krishna Kumar	Incharge, Mumbai office
Ms. C. Roy	Incharge, Kolkata office
Shri P. Subba Rao	Incharge, Vizag office
Shri Vijay Kumar Jegarkal	Incharge, Hyderabad office
Shri U.K. Viswakarma (upto 08.11.2021)	Incharge, Bangalore office
Shri Ranjeet Kumar (w.e.f. 09.11.2021)	Incharge, Bangalore office
Shri G.V. Walimbe (upto 30.06.2021)	Incharge, Delhi office
Shri P.K. Dixit (w.e.f. 01.07.2021 upto 08.11.2021)	Incharge, Delhi office
Shri U.K. Vishwakarma (w.e.f. 09.11.2021)	CGM (Marketing) & Incharge, Delhi office
Shri R.K. Panda	Incharge, Bhubaneswar office
Shri Amitav Mishra	Incharge, Rourkela office
Shri Sanjay Sen	Incharge, Bokaro office
Shri Ghanshyam (upto 25.01.2022)	Incharge, Durgapur office
Shri Amit Pal (w.e.f. 29.01.2022)	Incharge, Durgapur office
Shri Subrata Samanta	Incharge, Finance
Shri S.K. Bage	Incharge, CSR
Dr. P.K. Chatterjee (upto 22.12.2021)	Incharge, Legal & CCES
Shri D Acharya (w.e.f. 23.12.2021)	Incharge, Legal

Name of the Related Party	Nature of Relationship
<b>Key Management Personnel</b>	
Shri Sujit Kumar (w.e.f. 03.11.2021)	Incharge, CCES
Late S. Sengupta (upto 09.04.2021)	Incharge, Iron Making
Shri S.K. Bhattacharjee (w.e.f. 10.04.2021 upto 17.08.2021)	Incharge, Iron Making
Shri Sharat Chandra Choudhary (w.e.f. 18.08.2021)	Incharge, Iron Making
Shri Mukesh Saini	Incharge, Rolling Mills
Shri D. Chowdhuri	Incharge, Coal & Coke
Shri P.K. Behera	Incharge, Steel Melting Shop
Shri Chandan Kumar Singha (upto 31.08.2021)	Incharge, Power Plant & Electrical Engg.
Shri A.K. Bairagi (w.e.f. 01.09.2021)	Incharge, Power Plant & Electrical Engg
Shri S.Kumar	Incharge, GMMB
Shri C. Mukhopadhyay	Incharge, FS&PD
Shri Sanjay Kumar	Incharge, Port & Material Handling
Shri V. Kapila (upto 30.09.2021)	Incharge, Electrical
Shri Partha Pratim Sen (w.e.f. 01.10.2021 upto 29.10.2021)	Incharge, Electrical
Shri K Karuppiah (w.e.f. 30.10.2021)	Incharge, Electrical & Electrical -CRT
Shri Kamal Kumar Srivastava (w.e.f. 02.02.2022)	Incharge, Electrical – D&C
Shri Ashok Pandey (w.e.f. 02.02.2022)	Incharge, Electrical – Power
Shri Vinod Mishra (upto 31.05.2021)	Incharge, Non-Ferrous & Mineral Projects
Shri Jayanta Sarkar (w.e.f. 17.06.2021)	Incharge, Non-Ferrous & Mineral Projects
Shri Kumud Ranjan	Incharge, Metallurgical Wing
Shri Sunil Kumar (upto 31.01.2022)	Incharge, GL&T
Shri Ghanshyam (w.e.f. 01.02.2022)	Incharge, GL&T
Shri R.K. Bhattacharyya	Incharge, R & D
Shri Sabyasachi Thakur (upto 29.10.2021)	Incharge, Management Advisory Services
Shri U.K. Mishra (w.e.f. 30.10.2021)	Incharge, Management Advisory Services
Late M.T. Pandian (upto 16.04.2021)	Incharge, IT Services
Shri A Bhattacharya (w.e.f 17.04.2021 upto 22.07.2021)	Incharge, IT Services
Shri Sanjit Dash (w.e.f 23.07.2021)	Incharge, IT Services
Shri P.K. Das	Incharge, Marketing
Shri Sundeep Sinha (w.e.f. 07.01.2022)	Incharge, Marketing - EPC
Shri Sunil Kumar Verma (upto 02.11.2021)	Incharge, Contracts
Shri Neelesh Binay Sokey (w.e.f 03.11.2021)	Incharge, Contracts
Shri K.T. Durai	Incharge, Human Resources
Shri Sundeep Sinha (upto 06.01.2022)	Incharge, Corporate Management Services
Ms. Asha Wazir Biswas (w.e.f. 07.01.2022)	Incharge, Corporate Management Services
Shri S.C. Jha	Incharge, TA&CD
Shri Amitava Das Gupta	Incharge, Internal Audit
Ms. M M Dasgupta	Incharge, Technical Services of CMD office
Shri J.K. Jha	Incharge, Civil & Architecture
Shri Santosh Kr. Jha	Incharge, Structural
Shri Athi Rajasekharan	Incharge, Environment Engineering
Shri Dilip Kumar (upto 01.11.2021)	Incharge, Inspection & Quality Assurance
Dr. Ravindra Agrawal (w.e.f. 02.11.2021)	Incharge, Inspection & Quality Assurance
Shri Vinay Kumar Jha	Incharge, NMDC Project
Shri Joydeep Dasgupta	Incharge, SAIL Projects
Shri Joydeep Dasgupta	Incharge, Project Planning & Monitoring
Shri R.N. Lal	Incharge, Infrastructure - Jharkhand
Shri S. Ghosal	Incharge, Purchase & Stores

## ii) The details of transactions between the Company and the Related Parties other than Key Managerial Personnel:

(₹ in lakhs)

Sl. No.	Name of the related party	M/s. Metallurgical & Engineering Consultants (Nigeria) Limited	
		2021-22	2020-21
	<b>Particulars</b>		
1.	Transaction during the period	<b>NIL</b>	NIL
2.	Outstanding Balances as at the end of the period	<b>NIL</b>	NIL

(₹ in lakhs)

Sl. No.	Name of the related party	Board of Trustees, MECON Employees' Provident Fund and Gratuity Fund	
		2021-22	2020-21
	<b>Particulars</b>		
1.	Transaction during the period	<b>2,765.56</b>	5,202.16
2.	Outstanding Balances as at the end of the period	<b>NIL</b>	NIL

## iii) The details of transactions and balances pertaining to Key Managerial Personnel:

(₹ in lakhs)

Sl. No.	Particulars	2021-22	2020-21
1.	Short-Term Employee Benefits	<b>1,925.11</b>	2,100.16
2.	Post Employment Benefits	<b>1,082.08</b>	1,253.17
3.	Other Long-Term Benefits	<b>1,113.95</b>	1,175.05
4.	Termination Benefits	---	---
5.	Share-based Payment	---	---
6.	Sitting fees	<b>4.24</b>	4.00
7.	Outstanding Balances as at the end of the period	<b>NIL</b>	NIL

Short-Term Employee Benefits excludes medical facilities provided at Company's hospital, monetary value of which is not ascertainable.

## iv) Government-related Entities

The Company is a wholly owned Government of India, Central Public Sector Enterprise under the administrative control of Ministry of Steel. The Company applies exemption from detailed disclosures required under Ind AS-24 with respect to related party transactions and outstanding balances, including commitments, with Government and Government related Entities. The significant transactions are with other Central Public Sector Enterprises which are under control of Government of India. The transactions with such entities are normal, based on market driven rates at arms length price.

## a) Name of Government-related entities and description of relationship wherein significant amount of transaction carried out :

Sl.No.	Government-related Entities	Relationship
1.	Bharat Electronics Limited	Central Public Sector Enterprise
2.	Bharat Petroleum Corporation Limited	Central Public Sector Enterprise
3.	Bharat Sanchar Nigam Limited	Central Public Sector Enterprise
4.	Burn Standard Company Limited	Central Public Sector Enterprise
5.	Central Coalfields Limited	Central Public Sector Enterprise
6.	GAIL (India) Limited	Central Public Sector Enterprise
7.	Hindustan Copper Limited	Central Public Sector Enterprise
8.	Hindustan Petroleum Corporation Limited	Central Public Sector Enterprise
9.	Indian Oil Corporation Limited	Central Public Sector Enterprise
10.	KIOCL Limited	Central Public Sector Enterprise
11.	Mangalore Refinery & Petrochemicals Limited	Central Public Sector Enterprise
12.	National Aluminium Company Limited	Central Public Sector Enterprise

Sl.No.	Government-related Entities	Relationship
13.	NLC India Limited	Central Public Sector Enterprise
14.	NMDC Limited	Central Public Sector Enterprise
15.	Oil India Limited	Central Public Sector Enterprise
16.	Oil & Natural Gas Corporation Limited	Central Public Sector Enterprise
17.	Rashtriya Ispat Nigam Limited	Central Public Sector Enterprise
18.	Steel Authority of India Limited	Central Public Sector Enterprise
19.	Uranium Corporation of India Limited	Central Public Sector Enterprise
20.	Coal India Limited	Central Public Sector Enterprise
21.	Eastern Coalfields Limited	Central Public Sector Enterprise
22.	Mahanadi Coalfields Limited	Central Public Sector Enterprise

**b) Transactions with Government-related Entities :**

(₹ in lakhs)

Sl. No.	Name of the Entity	Nature of Transaction	2021-22	2020-21
<b>Rendering of Services:</b>				
1.	Bharat Electronics Limited	Revenue	<b>721.80</b>	99.70
2.	Bharat Petroleum Corporation Limited	Revenue	<b>88.56</b>	275.19
3.	Central Coalfields Limited	Revenue	<b>136.43</b>	127.78
4.	GAIL (India) Limited	Revenue	<b>6,835.49</b>	6,838.92
5.	GAIL (India) Limited	Estate Income	<b>247.21</b>	48.37
6.	Hindustan Copper Limited	Revenue	<b>104.47</b>	32.24
7.	Hindustan Petroleum Corporation Limited	Revenue	<b>1,357.35</b>	1,283.80
8.	Indian Oil Corporation Limited	Revenue	<b>284.49</b>	275.95
9.	KIOCL Limited	Revenue	<b>87.62</b>	141.39
10.	Mangalore Refinery & Petrochemicals Limited	Revenue	<b>87.12</b>	35.83
11.	National Aluminium Company Limited	Revenue	<b>1,919.34</b>	99.74
12.	NMDC Limited	Revenue	<b>3,494.72</b>	2,085.51
13.	Oil India Limited	Revenue	<b>199.26</b>	302.92
14.	Oil & Natural Gas Corporation Limited	Revenue	<b>7.20</b>	32.77
15.	Rashtriya Ispat Nigam Limited	Revenue	<b>429.21</b>	540.84
16.	Steel Authority of India Limited	Revenue	<b>11,896.61</b>	13,309.27
17.	Steel Authority of India Limited	Sharing of Common Expenses	<b>663.05</b>	570.41
18.	Uranium Corporation of India Limited	Revenue	<b>538.24</b>	25,376.35
19.	Eastern Coalfields Limited	Revenue	<b>458.88</b>	-
20.	Mahanadi Coalfields Limited	Revenue	<b>734.54</b>	-
21.	Others	Revenue / Others	<b>77.19</b>	138.77
<b>Receiving of Services:</b>				
1.	Rashtriya Ispat Nigam Limited	Procurement of Materials	<b>874.75</b>	-
2.	Bharat Sanchar Nigam Limited	Telecommunication Charges	<b>39.08</b>	43.25
3.	Others	Telecommunication / Consulting / Estate Charges, etc.	<b>82.77</b>	44.22
<b>Amount Receivable:</b>				
1.	Bharat Electronics Limited	Trade Receivable	<b>876.04</b>	328.93
2.	Bharat Petroleum Corporation Limited	Trade Receivable	<b>197.80</b>	319.48
3.	Burn Standard Company Limited	Trade Receivable	<b>64.44</b>	64.44
4.	Coal India Limited	Deposits Receivable	<b>100.00</b>	150.00
5.	Central Coalfields Limited	Trade Receivable	<b>139.32</b>	132.35

Sl. No.	Name of the Entity	Nature of Transaction	2021-22	2020-21
<b>Amount Receivable:</b>				
6.	GAIL (India) Limited	Deposits Receivable	<b>61.47</b>	61.47
7.	GAIL (India) Limited	Trade Receivable	<b>7,743.12</b>	7,891.42
8.	Hindustan Petroleum Corporation Limited	Trade Receivable	<b>1,168.49</b>	1,112.28
9.	Indian Oil Corporation Limited	Trade Receivable	<b>267.08</b>	161.58
10.	KIOCL Limited	Trade Receivable	<b>31.87</b>	100.00
11.	Mangalore Refinery & Petrochemicals Limited	Trade Receivable	<b>178.26</b>	157.93
12.	National Aluminium Company Limited	Trade Receivable	<b>468.39</b>	117.82
13.	NLC India Limited	Trade Receivable	<b>592.60</b>	591.95
14.	NMDC Limited	Trade Receivable	<b>3,128.69</b>	1,893.38
15.	Oil India Limited	Trade Receivable	<b>176.00</b>	151.44
16.	Oil & Natural Gas Corporation Limited	Trade Receivable	<b>160.39</b>	160.39
17.	Rashtriya Ispat Nigam Limited	Trade Receivable	<b>2,755.36</b>	2,500.02
18.	Steel Authority of India Limited	Trade Receivable	<b>13,679.02</b>	16,656.95
19.	Steel Authority of India Limited	Deposits Receivable	<b>378.77</b>	-
20.	Uranium Corporation of India Limited	Trade Receivable	<b>2,686.91</b>	8,748.04
21.	Eastern Coalfields Limited	Trade Receivable	<b>139.78</b>	-
22.	Hindustan Copper Limited	Trade Receivable	<b>65.18</b>	-
23.	Mahanadi Coalfields Limited	Trade Receivable	<b>706.16</b>	-
24.	Others	Trade Receivable / Deposits Receivable	<b>247.46</b>	232.96

The above transactions with the Government-related Entities cover transactions that are significant individually. The Company has also entered into transactions, with other various Government-related Entities, which are insignificant, individually and hence not disclosed individually.

#### 42.11 DISCLOSURE UNDER IND AS-28 ON “INVESTMENTS IN ASSOCIATES AND JOINT VENTURES”

As per Ind AS-28 “Investments in Associates and Joint Ventures”, the Company’s share of ownership interest, assets, liabilities, income, expenses, contingent liabilities and capital commitments in the joint venture company, incorporated in Nigeria, are given below:

(₹ in lakhs)

Name of the Joint Venture Company	% of Company’s Ownership Interest	Assets	Liabilities	Income	Expenditure	Contingent Liabilities	Capital Commitments
Metallurgical & Engineering Consultants (Nigeria) Limited	<b>50</b> (50)	<b>3.41</b> (3.41)	<b>313.36</b> (313.36)	<b>11.76</b> (11.76)	<b>46.14</b> (46.14)	<b>NIL</b> (NIL)	<b>NIL</b> (NIL)

Figures in bracket relates to previous year

The above figures are based on the audited accounts of Metallurgical & Engineering Consultants (Nigeria) Ltd. for the year ending 31.12.2014. Reporting currency of Metallurgical & Engineering Consultants (Nigeria) Ltd. is Naira.

Assets and Liabilities are reported using the closing rate of exchange as on 31.12.2014 whereas Income and Expenditure are reported using the average exchange rate in force during the year 2014 as available.

#### 42.12 DISCLOSURE UNDER IND AS-33 ON “EARNINGS PER SHARE”

Calculation of Earnings per Share:

Sl. No.	Particulars	2021-22	2020-21
a)	Net Profit / (Loss) for the period attributable to Equity Shareholders (₹ in lakhs)	<b>1,369.85</b>	624.37
b)	Weighted average number of Equity Shares (Refer Note 21)	<b>4,01,38,360</b>	4,01,38,360
c)	Earnings Per Share (Basic and Diluted) (a) / (b) (in ₹)	<b>3.41</b>	1.56
d)	Face Value per share (in ₹)	<b>10.00</b>	10.00

### 42.13 DISCLOSURE AS PER IND AS-108 ON “OPERATING SEGMENTS”

#### A. General Information

- i) The Company has identified three “**Strategic Business Units**” (SBUs) as “Operating Segments”. These “Operating Segments” are reported based on nature of services offered by these segments, technology / marketing strategies of the businesses, organization structure & the management reporting system.

#### Operating Segment Composition:

- a) “**Metals**” includes Iron & Steel, Rolling Mills, Non-Ferrous, Raw Materials & Mining, Refractories, etc.
- b) “**Energy**” includes Renewable Energy, Power plant- Thermal & Hydel, Transmission & Distribution, RLA & RMU studies, Oil & Gas pipelines, Petro-chemical & Refineries, POL Depots, Retail Outlets etc.
- c) “**Infrastructure**” includes Architecture & Town Planning, Ports & Material Handling, Roads, Highways, Bridges, & Flyovers, Defence, Environmental & Hydro engineering, Management Advisory Services, Information Technology etc.
- ii) The SBUs are monitored by the Board of Directors, who is collectively the Company’s Chief Operating Decision Maker (CODM) and strategic decisions about performance assessment are made on the basis of Segment Operating Results.
- iii) **Segment Revenue** comprises Revenue from Engineering & Consultancy Services, Revenue from Construction Contracts (including Deposit Works) and Revenue from Procurement Services for the Jobs in India and abroad.
- iv) Unallocated corporate expenditure includes expenses incurred on corporate services provided to Operating Segments and other expenses not allocable on a reasonable basis to Operating Segments.
- v) **Segment Assets and Segment Liabilities** represent operating assets and liabilities respectively which are directly attributable to the segment or allocated to the segment on a reasonable basis.
- vi) Property, Plant & Equipment and Intangible Assets used in the company’s business are common in nature for all by and large and therefore are not directly attributable to the segment or can be allocated to the segment on a reasonable basis. However, depreciation, amortization and impairment expenses, if any, are allocated to segment based on manhours consumed.

## B. Information / Reconciliation of Reportable Segment Profit or Loss, Assets and Liabilities

(₹ In Lakhs)

SEGMENTS		METALS		ENERGY		INFRASTRUCTURE		TOTAL	
Particulars		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>I.</b>	<b>SEGMENT REVENUE</b>								
a.	Segment Revenue from External Customers	24,456.78	44,454.00	18,814.89	16,525.23	15,395.45	10,821.22	58,667.12	71,800.45
b.	Intersegment Revenues	-	-	-	-	-	-	-	-
c.	Other Operating Revenue	1,205.80	2,925.24	146.03	262.11	256.28	224.57	1,608.11	3,411.92
	REVENUE FROM OPERATIONS	25,662.58	47,379.24	18,960.92	16,787.34	15,651.73	11,045.79	60,275.23	75,212.37
a.	Unallocated Interest and Other Income	-	-	-	-	-	-	3,845.83	4,444.81
<b>II.</b>	<b>TOTAL INCOME</b>	25,662.58	47,379.24	18,960.92	16,787.34	15,651.73	11,045.79	64,121.06	79,657.18
<b>III.</b>	<b>SEGMENT RESULTS [Profit/(Loss)]</b>	(4,450.72)	(930.37)	3,891.62	2,454.20	(631.91)	(2,562.73)	(1,191.01)	(1,038.90)
a.	Interest Income	-	-	-	-	-	-	2,227.42	3,143.84
b.	Non Operating Income	-	-	-	-	-	-	1,618.41	1,300.97
c.	Finance Costs	-	-	-	-	-	-	151.37	131.59
d.	Non Operating Loss	-	-	-	-	-	-	0.66	0.75
e.	Accretion / (Decretion) to Jobs-in-Progress	-	-	-	-	-	-	(549.13)	(1,362.72)
<b>IV.</b>	<b>PROFIT/(LOSS) BEFORE TAX</b>	-	-	-	-	-	-	1,953.66	1,910.85
	Income Taxes	-	-	-	-	-	-	583.81	1,286.48
<b>V.</b>	<b>PROFIT/(LOSS) AFTER TAX</b>	-	-	-	-	-	-	1,369.85	624.37
<b>VI.</b>	<b>OTHER INFORMATION</b>								
a.	Segment Assets	39,832.93	44,999.37	21,913.90	21,931.24	12,805.99	10,369.33	74,552.82	77,299.94
b.	Unallocated Corporate Assets	-	-	-	-	-	-	80,103.41	68,076.77
<b>c.</b>	<b>Total Assets</b>	-	-	-	-	-	-	154,656.23	145,376.71
d.	Segment Liabilities	49,138.34	50,451.64	17,534.97	14,394.09	29,121.02	21,687.41	95,794.33	86,533.14
e.	Unallocated Corporate Liabilities	-	-	-	-	-	-	20,569.35	21,734.81
<b>f.</b>	<b>Total Liabilities</b>	-	-	-	-	-	-	116,363.68	108,267.95
g.	Depreciation & Amortisation	387.57	339.97	213.99	204.34	88.92	84.70	690.48	629.01
h.	Non-Cash Expenses other than Depreciation	560.55	1,145.08	1,559.19	383.86	650.22	697.52	2,769.96	2,226.46
i.	Capital Employed	-	-	-	-	-	-	28,751.50	28,668.42

**C. Information about geographical areas**

Disclosure of Information on Geographical Segment is not made considering the nature of business activities / operations being carried out by the Company mainly within the country and therefore there is no reportable geographical segment.

**D. Information about major customers**

During the year 2021-22, ₹11,739.83 lakhs (Previous Year ₹38,198.41 lakhs) of Company's revenues, each exceeding 10% in the "Metals" Segment, are derived from 1 (one) (Previous Year 2 (two)) external customers.

During the year 2021-22, ₹6,844.85 lakhs (Previous Year ₹340.66 lakhs) of Company's revenues, each exceeding 10% in the "Energy" Segment, are derived from 2 (two) (Previous Year 1 (one)) external customers.

During the year 2021-22, ₹147.41 lakhs (Previous Year ₹120.64 lakhs) of Company's revenues, each exceeding 10% in the "Infrastructure" Segment, are derived from 2 (two) (Previous Year 2 (two)) external customers.

**42.14 DISCLOSURE AS PER IND AS-115 "REVENUE FROM CONTRACTS WITH CUSTOMERS"**
**a) Disaggregation of revenue into operating segments and geographical areas:**
**As at 31st March, 2022**
**(₹ in lakhs)**

Segment	Revenue as per Ind AS 115			Other Operating Revenue	Total as per Profit & Loss / Segment Reporting
	Domestic	Foreign	Total		
Metals	24,248.53	208.25	24,456.78	1,205.80	25,662.58
Energy	18,562.75	252.14	18,814.89	146.03	18,960.92
Infrastructure	15,395.45	-	15,395.45	256.28	15,651.73
<b>TOTAL</b>	<b>58,206.73</b>	<b>460.39</b>	<b>58,667.12</b>	<b>1,608.11</b>	<b>60,275.23</b>

**As at 31st March, 2021**
**(₹ in lakhs)**

Segment	Revenue as per Ind AS 115			Other Operating Revenue	Total as per Profit & Loss / Segment Reporting
	Domestic	Foreign	Total		
Metals	44,412.78	41.22	44,454.00	2,925.24	47,379.24
Energy	16,202.75	322.48	16,525.23	262.11	16,787.34
Infrastructure	10,821.22	-	10,821.22	224.57	11,045.79
<b>TOTAL</b>	<b>71,436.75</b>	<b>363.70</b>	<b>71,800.45</b>	<b>3,411.92</b>	<b>75,212.37</b>

**b) The opening and closing balances of contract assets and contract liabilities from contracts with customers are presented below:-**
**(₹ in lakhs)**

Particulars	As at 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
Contract Assets – Unbilled Revenue	496.65	---- #
Contract Liabilities <i>(The contract liability primarily relates to the advances from customer. Revenue is recognized from the contract liability on proportionate basis as and when such performance obligations are satisfied)</i>	3,868.24	3,899.14

**# Contract assets reported as on 31.03.2021 against UCIL procurement jobs has been re-stated**

c) During the year 2021-22, an amount of ₹ 224.84 lakhs (Previous Year ₹ 311.88 lakhs) is recognized as revenue from opening contract liabilities.



- d) The aggregate value of remaining performance obligations that are completely or partially unsatisfied as at 31st March, 2022 is ₹ 4,97,724.68 lakhs {Previous Year ₹ 3,99,352.00 lakhs (restated)}. The conversion to revenue is highly dependent on meeting the delivery schedules, contractual terms and conditions with customers, availability of clients' sites, changes / variation in scope / prices etc. In view of these, it is not practical to define the accurate percentage of conversion to revenue. However, the Company recognizes this as revenue as and when performance obligations are satisfied.
- e) **Determining the timing of satisfaction of performance obligations:-** The Company recognizes revenue using Output method based on satisfaction of the performance obligation/ right to receive payment. Output method measures progress towards satisfaction of performance obligations in a manner that provides a faithful depiction of the transfer of goods or services.
- f) **Determining the transaction price with respect to estimating variable consideration:-** In cases where liquidated damages arises out of contractual terms when the work is not completed within the completion schedule or for non-achievement of any parameter, the liquidated damages amount is adjusted from the contract fee for revenue recognition.
- g) **Reconciliation of contracted price with revenue recognized during FY 2021-22**

(₹ in lakhs)

Description	Amount
Contracted Price #	59,866.91
Less : Net impact on account of Invoices Raised but Income not accrued during FY 2021-22 due to Variable Considerations, Down Payment Invoices and other reasons	1,696.44
Add : Additions due to unbilled revenue	496.65
Less : Unbilled revenue accrued during FY 2020-21 but invoices raised during FY 2021-22	----
Revenue recognized as per Ind AS 115 during FY 2021-22	58,667.12

**# Contracted Price refers to value of Invoices raised during FY 2021-22 net of credit notes issued and other adjustments.**

- h) Revenue from foreign jobs is recognized on the basis of value of invoices raised in line with approved accounting policy and Indian Accounting Standards as applicable.

42.15 The Company has recognized revenue against deposits works / procurement services corresponding to expenses incurred relating to deposit works / procurement services upto 31.03.2021. However, fees against deposit works / procurement services are invoiced separately and also revenue is recognized to that extent.

42.16 In line with Ind AS 116 "Leases", the Company as a lessee recognizes Lease Liability as a measure of the present value of remaining lease payments. Simultaneously, Right-of-Use Asset equal to the Lease Liability is also recognized.

The Company has taken certain offices, residential premises, etc. on leases which are cancellable by giving appropriate notices as per respective agreements. During the FY 2021-22, an amount of ₹410.37 lakhs (Previous Year ₹323.88 lakhs) has been accounted for as rental charges in respect of these cancellable leases.

The Company has given certain office, residential premises, etc on leases which are cancellable by giving appropriate notices as per respective agreements. During the FY 2021-22, an amount of ₹ 364.58 lakhs (Previous Year ₹213.61 lakhs) has been accounted for as rental income in respect of these cancellable leases.

42.17 Considering the nature of Company's business and the type of assets held by the Company, there is no indication of loss due to impairment of assets as at 31<sup>st</sup> March, 2022 as per Ind AS- 36.

42.18 Information in respect of micro and small enterprises as required by Micro, Small & Medium Enterprises Development Act, 2006 (MSMED Act) read with notification of Ministry of Corporate Affairs dated 11<sup>th</sup> October, 2018 to the extent information available with the Company are as under:

(₹ in lakhs)

Sl. No.	Particulars	As at 31.03.2022	As at 31.03.2021
(a)	Amount remaining unpaid to any supplier:		
	- Principal Amount, remaining unpaid #	<b>3,896.35</b>	5,249.48
	- Interest due on Principal Amount, remaining unpaid	----	----
(b)	Amount of interest paid in terms of Section 16 of the MSMED Act along with the amount paid to the suppliers beyond appointed day during the year	----	----
(c)	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 the MSMED Act.	----	----
(d)	Amount of interest accrued and remaining unpaid at the end of the year	----	----
(e)	Amount of further interest remaining due and payable even in the succeeding year, 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 the MSMED Act.	----	----

# due but not payable on reporting date as per contract

42.19 Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss, unused tax credits (MAT Credit entitlement) or deductible temporary difference will be utilized against future taxable income. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

42.20 Wage revision is due for non-executive employees w.e.f. 01.01.2017. During the year 2021-22, provision has been made for ₹268.53 lakhs (cumulative provision ₹539.30 lakhs) (Previous Year ₹149.00 lakhs (cumulative provision ₹270.77 lakhs)) towards wage revision in respect of non-executive employees, based on estimate and information as available, etc.

42.21 Pay revision is due for executive employees w.e.f. 01.01.2017. However, considering the DPE OM dated 03.08.2017 and the financial status of the company, during the year 2021-22, provision for pay revision in respect of executive employees has been made for ₹1,013.15 lakhs (cumulative provision ₹2,816.75 lakhs) (Previous Year ₹1,803.60 lakhs (cumulative provision ₹1,803.60 lakhs)), based on estimate.

42.22 Advance of ₹756.86 lakhs was given to M/s Mysore Construction Company (W.O. No. 11.51/Q6AA/Civil/7720 dated 05.12.2005) against valid Bank Guarantees. The Company lodged claims within due date against Bank Guarantees submitted by the party. However, M/s Mysore Construction Company sought injunction against the encashment of Bank Guarantee from Hon'ble Principal District Court at Cuddalore. Hon'ble Principal District Court, Cuddalore directed M/s Mysore Construction Company to keep the Bank Guarantees in existence till disposal of petition. Thus, the advance of ₹756.86 lakhs given to M/s Mysore Construction Company is fully secured and covered by the Bank Guarantees submitted by the party.

The money suit of ₹1,150.00 lakhs claimed by M/s Mysore Construction Company, is subjudice and covered under Contingent Liabilities.

#### 42.23 Financial Instruments:

Financial assets / liabilities are recognized initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted. Subsequent to initial recognition, all financial assets are measured either at amortised cost or at fair value. Financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method.

## a) Risk Management

The Company is exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk. The Company's risk management is coordinated at its headquarters by close interaction with other offices, in close cooperation with the board of directors, and focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns. The Company does not actively engage in the trading of financial assets. The most significant financial risk to which the Company is exposed is credit risk.

### Credit Risk

Credit risk is the risk that a counter party fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments. The Company's maximum exposure to credit risk is limited to the carrying amount of following types financial assets.

- Cash and cash equivalents
- Trade Receivables
- Other financial assets

The Company continuously monitors defaults of clients and customers and other counterparties, identified either individually or by the Company, and incorporated this information into its credit risk controls.

### i) Credit risk management

#### Cash and cash equivalent

Credit risk related to cash and cash equivalents is managed by only accepting highly rated bank deposits and accounts in different banks across the country.

#### Trade Receivables

The Company closely monitors the credit-worthiness on the Trade Receivables.

#### Other financial assets

Other financial assets for example loans and advance to employees and other Credit risk related to these other financial assets is managed by monitoring the recoverability of such amount continuously.

### ii) Expected credit losses

Company provides expected credit losses based on the following:

#### Trade Receivables

The Company recognizes lifetime expected credit losses on Trade Receivables using a simplified approach and uses historical information to arrive at loss percentage relevant to each category of trade receivables:

(₹ in Lakhs)

Ageing As at 31 <sup>st</sup> March, 2022	0-6 months	6-12 months	12-24 months	24-36 months	More than 36 months	Total
Gross carrying amount	20,392.11	6,087.61	3,923.27	6,126.71	19,943.57	56,473.27
Expected credit loss / provision	428.23	135.50	114.40	419.90	10,441.86	11,539.89
Carrying amount of trade receivables (Net of impairment)	19,963.88	5,952.11	3,808.87	5,706.81	9,501.71	44,933.38

(₹ in Lakhs)

Ageing As at 31 <sup>st</sup> March, 2021	0-6 months	6-12 months	12-24 months	24-36 months	More than 36 months	Total
Gross carrying amount	27,613.49	3,046.66	7,539.53	3,713.00	18,224.98	60,137.66
Expected credit loss / provision	637.87	70.38	174.16	85.77	9,957.50	10,925.68
Carrying amount of trade receivables (Net of impairment)	26,975.62	2,976.28	7,365.37	3,627.23	8,267.48	49,211.98

**Reconciliation of Expected Credit Loss / Provision**

(₹ in Lakhs)

Particulars	Amount
As at 31 <sup>st</sup> March, 2021	10,925.68
Changes in provision	614.21
As at 31 <sup>st</sup> March, 2022	11,539.89

**Other financial assets**

Company provides for expected credit losses on financial assets other than trade receivables by assessing individual financial instruments for expectation of any credit losses. Since this category includes financial assets of varied natures and purpose, there is no trend that the Company can draw to apply consistently to entire population. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature.

**b) Financial Instruments by Category**

(₹ in Lakhs)

PARTICULARS	FVTPL		FVTOCI		AMORTISED COST	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
<b>Financial Assets</b>						
Investments	--	--	--	--	11.92	11.92
Trade Receivables	--	--	--	--	44,933.38	49,211.98
Loans	--	--	--	--	657.76	599.32
Cash & Cash Equivalents	--	--	--	--	18,265.29	10,460.48
Other Bank Balances	--	--	--	--	51,274.08	52,703.10
Other Financial Assets	--	--	--	--	7,616.47	6,007.58
<b>TOTAL</b>	--	--	--	--	1,22,758.90	1,18,994.38
<b>Financial Liabilities</b>						
Borrowings	--	--	--	--	--	--
Trade Payables	--	--	--	--	19,277.08	19,587.66
Other Financial Liabilities	--	--	--	--	38,848.65	37,810.28
<b>TOTAL</b>	--	--	--	--	58,125.73	57,397.94

#### 42.24 Fair Value Measurements

##### a) 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 financial instruments.

Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 : Unobservable inputs for the asset or liability

##### b) Financial Instruments measured at fair value – recurring fair value measurements

(₹ in Lakhs)

Particulars	Level 1		Level 2		Level 3		Total	
	As at 31.03.22	As at 31.03.21	As at 31.03.22	As at 31.03.21	As at 31.03.22	As at 31.03.21	As at 31.03.22	As at 31.03.21
Investment (Current) - Investment in Mutual Funds	<b>NIL</b>	NIL	----	----	----	----	<b>NIL</b>	NIL

##### c) Valuation process and technique used to determine fair value:

- i) The carrying amount of financial assets and liabilities are considered to be representative of their fair value.
- ii) Investments in associate and joint venture are measured at cost.
- iii) Investment in mutual funds are measured based on Net Asset Value.

42.25 Undisclosed Income : There has been no such instances of transactions which were not recorded in the books of accounts of the Company that has been surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961.

#### 42.26 Additional Regulatory Information

##### a) Title deeds of immovable properties not held in name of the company

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (Rs. In Lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the Company
Property, Plant and Equipment	(i) 10.25 acres of Land for Administrative Building at H.O., Ranchi	2.69	Govt. of Jharkhand	No	25.10.1962	Deed of conveyance is pending for execution by the Govt. of Jharkhand.
	(ii) Office Space / Building at SCOPE Minar, Laxmi Nagar, New Delhi (13 <sup>th</sup> & 15 <sup>th</sup> Floor)	1,193.30	SCOPE	No	23.12.2004	The office building at Scope Minar, Delhi has been acquired on contribution basis without ownership.

- b) Considering the nature of Company's business, no investment property is held by the Company. Further, the items of Property, Plant and Equipments (including Right-of-Use Assets) and Intangible Assets are recognised at cost. As such, valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017 is not required.

- c) Loans or advances to specified persons that are repayable on demand; or without specifying any terms or period of repayment

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoter	NIL	NIL
Directors	NIL	NIL
KMPs	NIL	NIL
Related Parties	NIL	NIL

- d) Capital Work-In-Progress (CWIP) Ageing Schedule

(₹ in Lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	682.11	41.19	----	----	723.30
Projects temporarily suspended	----	----	----	----	----

- e) Capital Work-In-Progress (CWIP) Completion Schedule for projects whose completion is overdue or has exceeded its cost compared to its original plan

(Rs. In Lakhs)

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
<b>Projects in progress</b>				
Expansion of Play School at Township, Ranchi, Jharkhand	8.82	----	----	----
Upgradation of Office Building at Mumbai	9.85	----	----	----
<b>Projects temporarily suspended</b>	----	----	----	----

- f) Intangible assets under development Ageing Schedule

(Rs. In Lakhs)

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	----	----	----	----	----
Projects temporarily suspended	----	----	----	----	----

- g) Intangible assets under development Completion Schedule for projects whose completion is overdue or has exceeded its cost compared to its original plan

(Rs. In Lakhs)

Intangible assets under development	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	----	----	----	----
Projects temporarily suspended	----	----	----	----

- h) No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.
- i) The Company has availed bank overdraft facilities from banks on the basis of security of fixed deposits with the respective banks which are in agreement with the books of accounts of the Company.
- j) The Company is not a declared wilful defaulter by any bank or financial institution or other lender.

## k) Relationship with Struck off Companies

(Rs. In Lakhs)

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off company, if any, to be disclosed
NICCO POWER PROJECTS PRIVATE LIMITED	Payables	26.30	Vendor
PYROTECH ELECTRONICS PRIVATE LIMITED	Payables	0.10	Vendor
THE WEST BENGAL POWER DEVELOPMENT CORPORATION LIMITED	Receivables	0.25	Client
ZOOM DEVELOPERS PRIVATE LIMITED	Receivables	10.47	Client
SAIL & MOIL FERRO ALLOYS PRIVATE LIMITED	Receivables	0.06	Client
CORPORATION BANK LIMITED	Receivables	231.87	Client
CORPORATION BANK LIMITED	Advance from Client	384.21	Client

l) Registration of charges or satisfaction with Registrar of Companies (ROC): There are no pending charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.

m) Compliance with number of layers of companies: Companies (Restriction on number of Layers) Rules, 2017 is not applicable to the Company.

## n) Disclosure of Ratios

Sl. No.	Particulars	Numerator	Denominator	Current Year	Previous Year	%age change over previous year	Reason for change by more than 25%
1.	Current ratio	Current Assets	Current Liabilities	1.40	1.45	(-)3.45%	----
2.	Debt - Equity Ratio	Total Debt	Shareholder's Equity	NIL	NIL	----	----
3.	Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	NIL	NIL	----	----
4.	Return on Equity	Net Profit after taxes - Preference Dividend (if any)	Average Shareholder's Equity	0.04	0.02	100%	Increase in PAT
5.	Inventory Turnover Ratio	Considering the nature of the business of the Company, being engineering, consultancy and contracting organisation, inventories carried are entirely for in-house consumption. Hence, inventory turnover ratio is not computed.					
6.	Trade Receivables Turnover ratio	Turnover	Average Trade Receivables	1.25	1.50	(-)16.67%	----
7.	Trade Payables Turnover ratio	Total Purchases	Average Trade Payables	0.98	1.95	(-)49.74%	Decrease in Direct Expenses
8.	Net Capital Turnover ratio	Turnover	Working Capital	1.79	2.12	(-)15.57%	----
9.	Net Profit ratio	Profit After Tax	Turnover	0.02	0.01	100%	Increase in PAT
10.	Return on Capital Employed	Profit Before Interest & Taxes	Capital Employed	0.07	0.07	----	----
11.	Return on investment	Not Applicable, as the Company do not have any investments in any listed or tradable securities.					

**Note:** Ratios presented above have been truncated to two places of decimal. Further, reason for changes over previous year has been mentioned in cases where there has been any change in the ratio by more than 25%.

- o) Compliance with approved Scheme(s) of Arrangements: The Company does not have any approved Scheme(s) of Arrangements.
- p) Utilisation of Borrowed funds and share premium: The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities. Also, the Company has not received any fund from any person(s) or entity(ies) including foreign entities (Funding Party).

#### 42.27 Disclosure on Corporate Social Responsibility (CSR)

Necessary CSR & SD Fund have been created debiting P/L account upto the financial year 2013-14 and CSR & SD expenses have been debited to CSR & SD Fund in line with DPE guidelines issued from time to time as applicable. Unspent amount carried forward in CSR & SD Fund is ₹181.07 lakhs as on 31.03.2022 (₹181.07 lakhs as on 31.03.2021).

From 2014-15 onwards necessary CSR amount is appropriated / transferred to CSR Activity Reserve and CSR amount spent is adjusted / transferred from CSR Activity Reserve. During the year 2021-22, ₹77.38 lakhs (Previous Year ₹93.99 lakhs) is transferred from Surplus to CSR Activity Reserve. Unspent CSR amount carried forward under the head CSR Activity Reserve is ₹12.28 lakhs as on 31.03.2022 (₹84.74 lakhs as on 31.03.2021).

(Rs. In Lakhs)

Particulars	2021-22	2020-21
Shortfall brought forward from last year	<b>265.81</b>	216.51
Add : Amount required to be spent by the Company during the year and allocation of fund	<b>77.38</b>	93.99
Less : Amount spent during the year on:		
a) CSR Projects / Programs, etc.	<b>101.84</b>	44.69
b) Others (including contribution to PM Cares Fund)	<b>48.00</b>	<u>NIL</u>
Total Amount Spent #	<b>149.84</b>	44.69
Shortfall at the end of the year ##	<b>193.35</b>	265.81
# a) Amount of expenditure incurred out of the amount required to be spent by the Company during the year	<b>43.29</b>	9.71
## a) Shortfall at the end of the year out of the amount required to be spent by the Company during the year	<b>34.09</b>	84.28
b) Total of previous years shortfall	<b>159.26</b>	181.53
Reason for shortfall	Several CSR Projects / Programs could not be taken up due to COVID-19 pandemic, delay in issue of work order, work under process, non-submission of invoices by contractors, bills processing pending due to insufficient documents, etc.	
Nature of CSR Activities	Nutrition, Sanitation, Health, Education, Skill Development & Livelihood, Disaster Management including relief	
Details of related party transactions in relation to CSR Expenditure as per relevant Accounting Standard	NIL	
Movements in the provision during the year where a provision is made with respect to a liability incurred by entering into a contractual obligation	NIL	

42.28 The Company has not traded or invested in Crypto-currency or Virtual currency during the financial year 2021-22.

42.29 Previous year's / year-to-date figures have been regrouped / recast wherever necessary in the Balance Sheet, Statement of Profit & Loss, Cash Flow Statement and Notes, etc.



### 42.30 Impact of COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of current and non-current assets. The Company has reviewed the impact of COVID-19 and expects the carrying amount of these assets will be recovered. Based on the assessment, the Company expects no significant impact on the continuity of the operations of the business on long-term basis.

For the leases that the Company has entered with the lessors at different geographical locations in order to successfully execute the projects, the Company believes that the impact of COVID-19 is not material in terms of those leases.

### 42.31 Recent Pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23<sup>rd</sup> March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1<sup>st</sup> April, 2022, as below:

#### Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the *Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework)* issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

#### Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognize a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

#### Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting, from the cost of property, plant and equipment, amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will deduct the excess of net sale proceeds of items over the cost of testing, from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

#### Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

#### Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

# FORM AOC-I

## Part "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Joint Venture	M/s Metallurgical & Engineering Consultants (Nigeria) Limited
<b>1. Latest audited Balance Sheet Date</b>	For the year ending on 31.12.2014
<b>2. Date on which the Joint Venture was associated or acquired</b>	28.10.1982
<b>3. Shares of Joint Ventures held by the company on the year end</b>	
No.	5000
Amount of Investment in Joint Venture	₹ 7.60 lakhs
Extend of Holding %	50%
<b>4. Description of how there is significant influence</b>	Majority of the members of the Board of M/s Metallurgical & Engineering Consultants (Nigeria) Limited are also Directors / Senior Managerial Personnel of MECON Limited.
<b>5. Reason why the associate/joint venture is not consolidated</b>	Consolidation is not applicable for Joint Venture company.
<b>6. Networth attributable to Shareholding as per latest audited Balance Sheet</b>	(-) ₹309.94 lakhs (50%)
<b>7. Profit / Loss for the year</b>	(-) ₹34.38 lakhs
i. Considered in Consolidation	Not Applicable
ii. Not Considered in Consolidation	Not Applicable

In terms of our report of even date

**For ANJALI JAIN & ASSOCIATES**

CHARTERED ACCOUNTANTS

Sd/  
(ARPIT JAIN)  
PARTNER  
Memb.No.417169  
Firm Regn. No.003247C

Sd/  
(RAVI BAMBHA)  
COMPANY SECRETARY

Sd/  
(S. SAMANTA)  
SENIOR GENERAL  
MANAGER (FINANCE)

Sd/  
(R. H. JUNEJA)  
DIRECTOR (FINANCE)

Sd/  
(SALIL KUMAR)  
CHAIRMAN and  
MANAGING DIRECTOR  
(Additional Charge)

Place : Ranchi  
Dated : 02.08.2022  
UDIN : 22417169AOBNKN7214

# GLIMPSES OF CSR ACTIVITIES



Free Literacy program for Under Privileged Children at Ravidas Mohalla, Doranda, District – Ranchi, Jharkhand



Distribution of Nutritional Supplements to the Children of Village – Sungi, Block – Karra, District – Khunti (Jharkhand)



Stitching Training Program for Under Privileged Women at Manitola, Doranda, District - Ranchi, Jharkhand



Youth of Adopted Village – Sungi, Block – Karra & Village – Rai, Block – Khunti, District – Khunti undergoing Vocational Training in “Welding Technician” at Jharkhand Government Tool Room (JGTR), Tatisilway, District - Ranchi, Jharkhand



Youth of Adopted Village – Sungi, Block – Karra & Village – Rai, Block – Khunti, District – Khunti undergoing Vocational Training in “Plastic Processing & Injection Moulding” at Central Institute of Petrochemicals Engineering & Technology (CIPET) Hehal, District - Ranchi, Jharkhand



Celebration of Birth Anniversary of Bhagwan Birsa Munda as “Janjatiya Gaurav Diwas” at Adopted Village – Sungi, Block - Karra, District – Khunti, Jharkhand



Promotion of Games - Providing Football Kit in Adopted Village - Sungi, Block - Karra, District - Khunti, (Jharkhand)  
(Girls of Adopted Village – Sungi playing Football)



Promotion of Games - Providing Hockey Kit in Adopted Village - Sungi, Block - Karra, District - Khunti, (Jharkhand)  
(Boys of Adopted Village – Sungi playing Hockey)



# मेकॉन लिमिटेड

(भारत सरकार का संस्थान)

## MECON LIMITED

(A Govt. of India Enterprise)



### Head Office

Vivekananda Path, Doranda, Ranchi - 834002, Jharkhand, India

CIN No. - U4740JH1973GOI001199

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New Delhi	+91-11-22041872	+91-11-22041214	<a href="mailto:delhi@meconlimited.co.in">delhi@meconlimited.co.in</a>

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