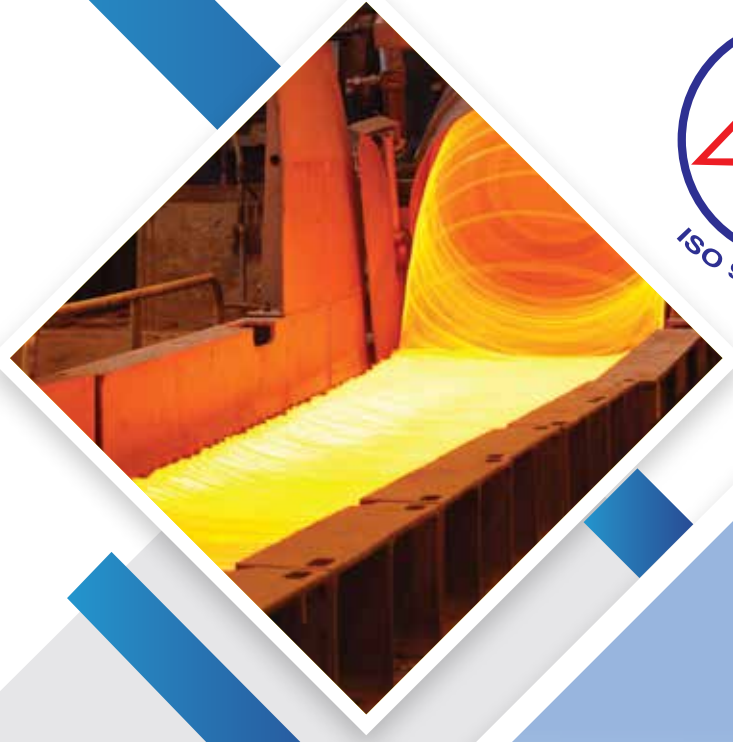




**मेकाँन लिमिटेड**  
(भारत सरकार का संस्थान)  
**MECON Limited**  
(A GOVT. OF INDIA ENTERPRISE)



**48<sup>th</sup> ANNUAL REPORT**  
**2020-21**



Ministry of Steel launched PLI scheme in presence of Hon'ble Steel Minister and other senior officials of Steel Industry, to boost domestic production of 'Speciality Steel'.



Shri Salil Kumar CMD (Addl. Charge) and Director (Projects), briefed importance of PLI scheme for Speciality Steel in Seminar & introduced the booklet prepared by MECON.



Shri Salil Kumar CMD (Addl. Charge) and Director (Projects) inaugurated PSA Oxygen plant at Ispat Hospital in presence of Shri R.H. Juneja, Director (Finance), Shri S.K. Verma Director (Commercial), Shri UK Kedia, CVO & senior officials.



Shri Salil Kumar CMD (Addl. Charge) and Director (Projects), while flagging off Fit India Freedom Run, in presence of Shri S.K. Verma Director (Commercial) and other officials



German Delegates visit to MECON



Shri A.K. Agrawal, Director (Technical) has been felicitated with Technological Excellence Award, for his exemplary leadership in realising Ferrous & Non Ferrous projects of National importance during 25th International Conference on Non-Ferrous Metals at New Delhi



On the occasion of Hindi Diwas, a pledge was administered by Shri Salil Kumar CMD (Addl. Charge) & Director (Projects) to the employees in the presence of Directors and other high officials.



Vigilance Awareness Week-2021 was observed in MECON. Integrity Pledge was administered to the employees by Shri Salil Kumar, CMD (Addl. Charge) & Director (Projects) in Hindi, followed by pledge in English administered by Shri R.H. Juneja, Director (Finance), in presence of Shri S.K. Verma, Director (Commercial), Shri A.K. Agrawal, Director (Technical) and Shri U.K. Kedia, CVO

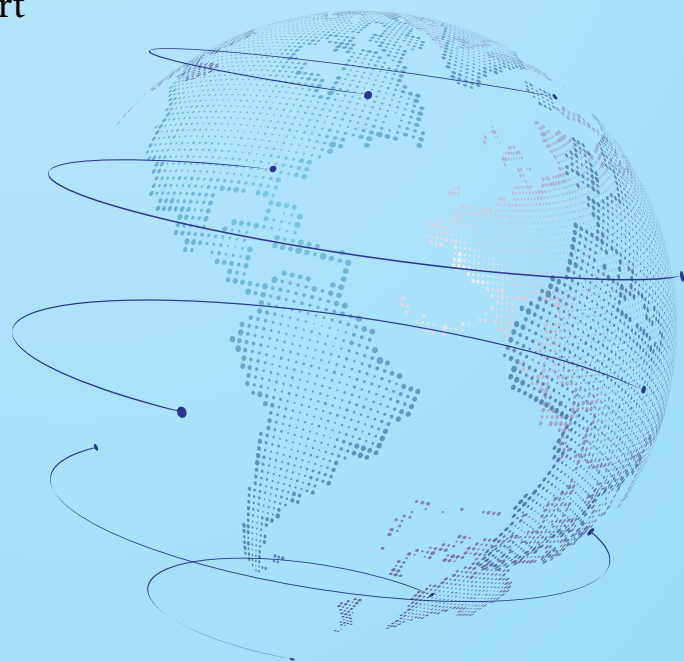
## VISION

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 Ram Chandra Prasad Singh**  
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 Pradip Kumar Tripathi**  
Secretary to GoI, 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. Rasika Chaube**  
Government Director



**Ms. Sukriti Likhi, IAS**  
Government Director



**Shri R. H. Juneja**  
Director (Finance)



**Shri S. K. Verma**  
Director (Commercial)



**Shri A. K. Agrawal**  
Director (Technical)



**Shri Deepak Krishan**  
Independent Director



**Smt. Manju Chandra**  
Independent Director

# CORPORATE INFORMATION

## BOARD LEVEL COMMITTEES\*

### Audit Committee

Shri Deepak Krishan  
Smt. Manju Chandra  
Shri R.H. Juneja

### CSR & Sustainability Committee

Smt. Manju Chandra  
Shri Deepak Krishan  
Shri R.H. Juneja

### Nomination & Remuneration Committee

Shri Deepak Krishan  
Smt Rasika Chaube  
Smt. Manju Chandra  
Shri Salil Kumar

## COMPANY SECRETARY

Shri Ravi Bambha

## BANKERS

State Bank of India  
Union Bank of India  
Bank of Baroda  
Punjab National Bank  
Bank of India  
YES 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)

## FINANCE INCHARGE

Shri S. Samanta

## REGISTERED OFFICE

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

*\*As on the date of AGM*

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# CHAIRMAN'S SPEECH



Dear Fellow Shareholders,

On behalf of the Board of Directors, it is a privilege for me to extend a very warm welcome to each one of you to the 48<sup>th</sup> Annual General Meeting of your Company.

The Directors' Report and the Audited Accounts for the year ending 31<sup>st</sup> March, 2021 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 achievements of your Company.

The year has been marked by the Coronavirus Pandemic and the whole world has been impacted by it. Your Company's paramount concern during these testing times has been ensuring the safety of its employees and their families. A few of the initiatives taken in this regard were:

- ♦ Restricting official tours.

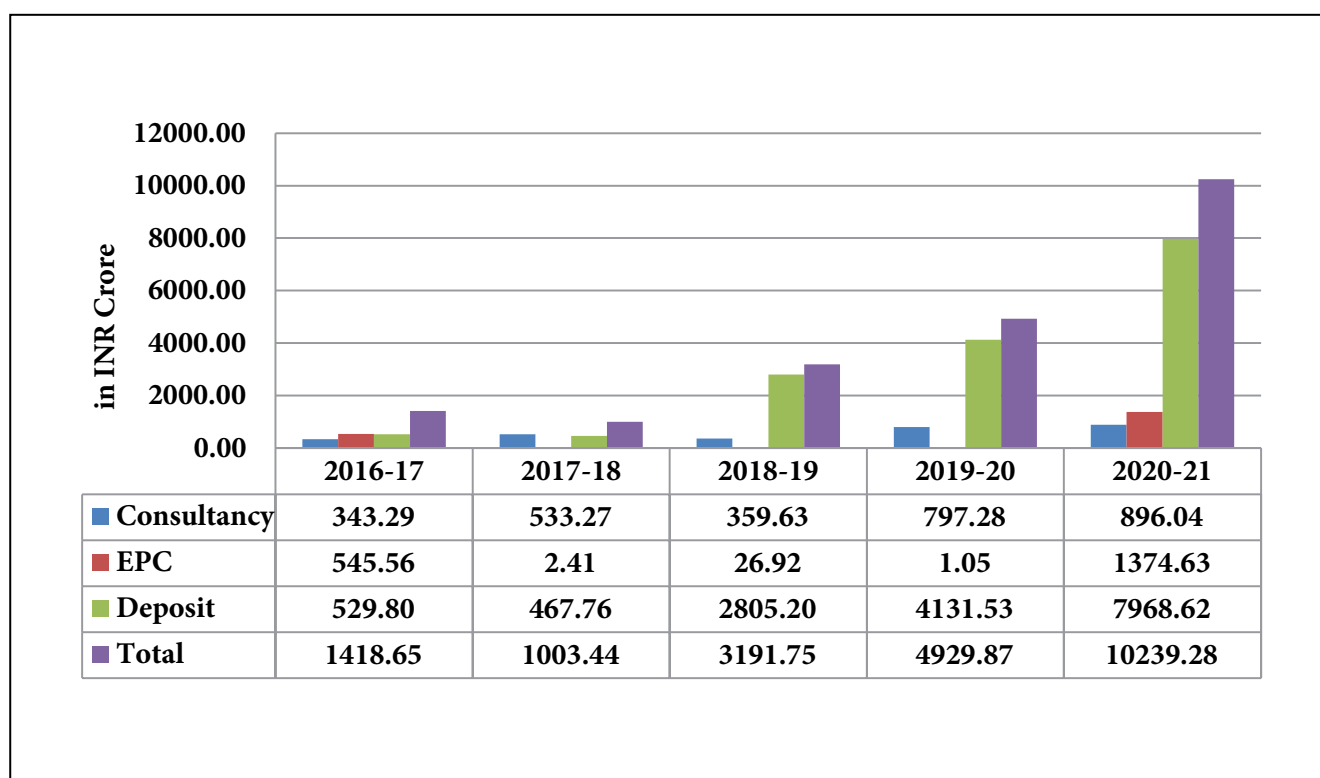
- ♦ Introducing Work-from-Home system along with imperative infrastructure enablers.
- ♦ Transforming in-person events into virtual events.

Today, there is reason for optimism as a gradual return to normalcy is in sight. This has been possible due to the enormous strides in the medical field to counter the disease and the launch of vaccination programs.

Amidst challenging pandemic environment, Your Company has continued on the path of growth and I am pleased to share that your Company has registered yet another record-breaking performance this fiscal.

### Physical Performance:

This year MECON completes more than 60 illustrious years of contributing to the socio-economic growth of the country. I am immensely proud to share, that your Company while securing a plethora of jobs in the business verticals of Metals, Energy (Power, Oil & Gas) and Infrastructure, has maintained its record-breaking streak and registered Order Booking worth **₹10,239 Crores**.



The new business secured during the fiscal includes ₹275.60 Crores from the Energy sector, ₹572.91 Crores from Infrastructure sector and your Company's intense focus in strengthening the mainstay of your Company's business – the Metals and Mining sector- has met with considerable success with ₹9390.77 Crores worth of business.

Salient among these are :

#### In the Metals & Mining sector :

- ◆ Rebuilding of Coke Oven Battery No. 2 at Rourkela Steel Plant and Coke Oven Battery No. 7 & 8 at Bhilai Steel Plant
- ◆ Installation of 4<sup>th</sup> Stove in Blast Furnace No.4 (work package) at Durgapur Steel Plant
- ◆ Supply of Equipment, Materials, Spares and Site Work for Bauxite Storage, Handling & Secondary Crushing Package for 1.0 Mtpa Alumina Refinery of NALCO at Damanjodi, Odisha
- ◆ Consultancy Services for Review of Basic Engineering & P-Stage Engineering Services for New Construction of Pellet Plant on the territory of PJSC ArcelorMittal KryvyiRih, Ukraine
- ◆ Consultancy Services and Deposit Work Services for Uranium Corporation of India Ltd. (UCIL) for:
  - Garadh Underground Uranium Mining Project
  - Centralised Procurement of Spares for existing Mines and Plant
  - 1500 TPD Expansion for Tummalapalle Uranium Project and 6000 TPD Kannampalle Uranium Project in Andhra Pradesh

#### In the Energy sector :

- ◆ RLA and Life Extension Study and Preparation of Detailed Project Report for taking up Renovation Modernization & Uprating of all four units of Lower Sileru Hydro Electric Project (4x115 MW) for Andhra Pradesh Power Generation Corporation Ltd.
- ◆ PMC for Engineering and Procurement services for City Gas Distribution (CGD) projects for 6 cities for GAIL India Ltd.
- ◆ EPMC services for Sonipat, Meerut, Dewas, TTZ (SMDT) & Begaluru GA for 03 years
- ◆ EPMC Services for City Gas Distribution Project at Hyderabad, Vijayawada & Kakinada GAs for 02 years for Bhagyanagar Gas Ltd.
- ◆ Project Management Consultancy Services for City Gas Distribution Project of GGPL in East & West Godavari Districts of AP for Godavari Gas Private Ltd. (GGPL).

#### In the Infrastructure sector :

- ◆ Detailed Engineering and Consultancy Services along with Project Management Services for setting up of Infrastructure Facilities for Indian Coast Guard at its new location in Mangaluru,

Karnataka for Military Engineer Services (MES), Goa

- ◆ Consultancy Services for EIA/EMP studies covering ecological damage assessment for statutory violation for M/s Electrosteel Steels Limited – Vedanta, 3.0 MTPA (Crude Steel) Integrated Steel Plant at Chandankiyari and Chas, Bokaro, Jharkhand
- ◆ Services for Supply of Equipment, Material & Spares and Site Work for Crushing Plant including Feeder & Minor Conveyors at Panchpatmali Mine, Damanjodi, Odisha for NALCO.
- ◆ Providing Architecture, Detail Engineering and Project Management Consultancy Services on Deposit Basis for Construction of Campus for Maharana Pratap Horticultural University (MHU) at Karnal, Haryana and allied works.

### Financial Performance

This fiscal saw your Company confront formidable operational challenges posed by the pandemic and compelled a review on several internal/operational issues including rationalization of manpower deployment, reduction in avoidable expenditure, rationalization of various operational processes, development of norms/guidelines, etc, The proactive and judicious actions taken, facilitated in weathering the challenges to record an exceptional Turnover of ₹718.00 Crores, which is about 28% more than the previous fiscal and the highest recorded in the last 10 years. The Revenue from operations is ₹752.12 Crores, while the Profit Before Tax registered at ₹19.11 Crores. The Company's net worth now stands at ₹418.06 Crores.

### Environment Management

Your Company understands its responsibility towards the environment and so also endeavors to adapt and rethink the energy efficiency, safety, resource conservation, zero discharge and waste control measures by specifying efficient use of materials, energy and environmental management during engineering and implementation of projects. We have also strived to achieve zero discharge from production plants being engineered by us.

Your Company has been retained as Environmental Consultant for several environmental projects of various clients. Significant environmental engineering assignments carried out during the year include:

- ◆ Detailed Technical Specification for Proposal of Treatment of Domestic Sewage Effluent of RSP Township to the tune of 30 MLD (1250 m<sup>3</sup>/h) and for Recycling / Reuse as makeup water which will

result in reduction in fresh water consumption for Rourkela Steel Plant

- ◆ Damage Assessment Studies and suggested corresponding Remedial Management Plans along with Environmental and Community Resource Augmentation for Iron Ore Mine of M/s OMC and Copper Mine of M/s HCL.

### Human Resource

Your Company strongly believe that Human Resources are the most important and invaluable assets for the Company and that Employee engagement with their work and their perception of the company defines their behaviour which is instrumental for the success or failure of Company objectives.

Company encourages meritocracy and the pursuit of excellence. Employees are continuously updated and trained on emerging technologies, strategy and competitive business environment to ensure that sustained value creation is achieved. A holistic approach is undertaken towards sharpening the existing talent pipeline and building leadership capabilities to groom them as future leaders in the sector. Further your Company is gradually inducting personnel with distinctive skill and experience with an intent to eliminate functional gaps and broaden the organizational skill set to become a knowledge based learning engineering organization.

### Corporate Social Responsibility

Your Company's Social and Sustainability initiatives are driven by the conviction that organizations play a significant role in contributing to build a better society. Evolving from your Company's abiding vision to pursue sustainable and inclusive growth, the CSR strategies are primarily focused on education, healthcare, women empowerment, community development and upgrade of infrastructural facilities in the villages of Jharkhand. This multi- dimensional effort has transformed many a life and contributed towards a sustainable environment for future India.

During FY 2020-21, your Company, in addition to the enduring CSR programs for women empowerment and education, has worked towards the Government's Annual theme of "Healthcare & Nutrition". Accordingly, the "Healthcare Supplementation & Nutrition-POSHAN Programmes" are being carried out in a planned manner in adopted villages of Ranchi and Khunti districts. During the year, 521 children have been beneficiaries of this program.

### 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.

#### **Acknowledgement**

I whole heartedly acknowledge that all these achievements have been possible only due to persistent and dedicated efforts made by the employees of the Company. On behalf of the shareholders and management of the Company, I thank the Company's trusted clients, vendors and other partners and stakeholders in business for enabling it to perform up to the expectations of the customers and drive the business forward.

I wish to place on record, my deep appreciation and gratitude for the significant contribution and support extended by my colleagues on the Board. Their overall professionalism and contribution have greatly helped in steering the Company to higher levels.

I gratefully acknowledge the support extended to us by Government of India, Ministry of Steel and thank them for the confidence and trust bestowed upon the Company and the opportunities given for growth. Your continued support, trust and encouragement are what give us energy, confidence and motivation to strive for betterment. I sincerely assure you that the Company will grow in the years ahead.

**Thank you & Jai Hind!**

# BOARD REPORT

Dear Members,

Your Directors have the pleasure in presenting 48<sup>th</sup> Annual Report on the operations of the Company and the Statements of Accounts for the Financial Year ended on 31<sup>st</sup> March, 2021.

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.

## 1.0 PERFORMANCE HIGHLIGHTS

Your Company's performance in FY 2020-21 has been remarkable in terms of new order booking as well as revenue from operation even amidst global COVID-19 pandemic crisis. Your Company has achieved its highest ever order booking worth more than ₹ 10,200 Crore in the Financial year 2020-21 which includes healthy order booking in Company's core business area, i.e. Metals.

Your Company is committed to improve its performance timelines rigorously in order to boost its bottom-line. Your Company is also moving on the path of sustainable growth to remain as a global centre of excellence for providing innovative and cost effective engineering & technological end solution to its clients across the world.

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

### 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:
  - BOF Shop is gearing up for integrated trial run and hot commissioning. The BOF Shop consists of two nos. of 175 T BOFs, two nos. of 175 T Ladle Furnaces, one no. of 175T Degasser unit (RH).



- Preliminary Acceptance Certificate (PAC) has been issued to Contractor for BF Complex.
- The Earthen reservoir (5 million cum capacity), Makeup water & Drinking water & Plant Distribution system has been commissioned and Performance Guarantee Test for the same has also been completed.



- The intake well & cross-country pipeline from River Sabri to NISP has been commissioned and Performance Guarantee Test for the same has also been completed.



- Main Receiving Sub-Station has been commissioned and Commissioning Certificate has been issued to Contractor.
- ◆ Tendering and ordering activities have been completed for Bacheli-Nagarnar slurry pipeline (22"x 135 Km) and water pipeline (22"x 135 Km) portion for Slurry Pipeline, Iron ore processing plant, pellet plant and water pipeline project of NMDC Limited. Your Company is providing EPCM services for the project.
- ◆ 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.
- ◆ SAIL/Durgapur Steel Plant, Durgapur has entrusted your Company for carrying out Full Relining Job of Kiln # 3 at New Lime Calcination Plant (NLCP) on

Turnkey (EPC) basis. The shutdown job has been executed successfully within schedule without any deviation to contractual stipulations. The Kiln is under operation successfully.

- ◆ Final Acceptance Certificate (FAC) for Rebuilding of Coke Oven Battery # 7 of SAIL/Bokaro Steel Plant has been issued by BSL. Project was executed on Turnkey mode.



- ◆ Final Acceptance Certificate (FAC) for Rebuilding of Coke Oven Battery # 10 of SAIL/IISCO Steel Plant, Burnpur has been issued by ISP. Project was executed on DEC & PMC mode.



- ◆ Final Acceptance Certificate (FAC) for Cold Repair of Coke Oven Battery # 9 of SAIL/Bhilai Steel Plant, Bhilai has been issued by BSP. Project was executed on Turnkey mode.



- ◆ RINL/Visakhapatnam Steel Plant, Visakhapatnam has assigned your Company for carrying out Design, Engineering Consultancy services and Project Management services for setting up the Forged Wheel Plant (FWP) at Rae Bareilly. The Integrated Hot Trials have been undertaken successfully for the entire plant.



- ◆ Coke Oven Battery (COB-5) of RINL/Visakhapatnam Steel Plant has been successfully commissioned. Project is being executed in Project Management Consultancy (PMC) mode.



- ◆ Engineering for upgradation of Blast Furnace # 3 of JSW Steel Limited, Vijayanagar Works has been completed. This will become one of country's largest Blast Furnace (5,339 m<sup>3</sup> Useful Volume).
- ◆ JSW Steel Limited, Vijayanagar Works has entrusted your Company for providing Consultancy & Engineering Services for Enhancement of Steel Making Capacity from 13 MTPA to 18 MTPA by addition of major technological facilities including Raw Material Handling & Storage System. Subsequently, JSW Steel Limited has formed its subsidiary company, JSW Vijayanagar Metallics Limited (JVML) and transferred the above technological packages of new Blast Furnace, New SMS, New LCP along with its auxiliary facilities. The works in both JSW Steel & JVML are under execution.



- ◆ Activities for the installation of independent Slag Granulation Plant (SGP) for Blast Furnace # 1 Project at JSW Steel Limited, Vijayanagar Works are completed.
- ◆ 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.
- ◆ Engineering for modification of Hot Blast Stoves of Blast Furnace # 1 at JSW Steel Limited, Dolvi Works has been completed. In continuation to this, JSW has entrusted your Company to provide Design, Engineering & Consultancy Services for repair of combustion chamber of Hot Blast Stove # 2. The work is under execution.



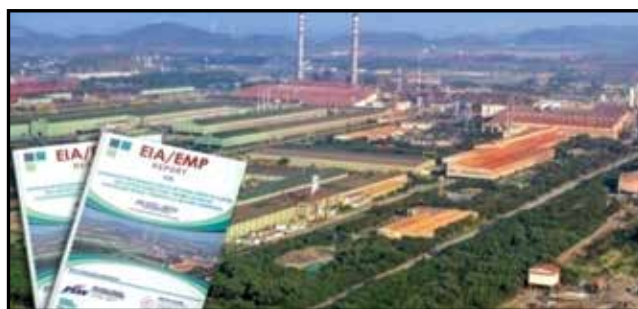
- ◆ JSW Steel Limited, Dolvi Works has successfully commissioned their New Pellet Plant # 2 (816 m<sup>2</sup>) for which your Company has rendered Design, Engineering & Consultancy Services and completed its scope of work within stipulated time. This Pellet Plant is the largest Pellet Plant commissioned in India and equals to largest Pellet Plant in the world.
- ◆ JSW Steel Limited, Vijayanagar Works has successfully commissioned their New Pellet Plant (PP) # 3 (816 m<sup>2</sup>) for which your Company has rendered Design, Engineering & Consultancy Services and completed its scope of work within schedule. Detail Engineering for Rail Loading Facility of Pellets from PP # 3 of JSW Steel Limited, Vijayanagar Works is in progress.



- ◆ JSW Steel Limited, Tarapur has entrusted your Company for providing Consultancy & Detailed Engineering services for their new PL-TCM line. The line has been commissioned.



- ◆ Your Company has successfully completed the Detailed Engineering & Consultancy services for Revamping of Primary and Secondary de-dusting system of existing SMS-1 for JSW Toranagallu.
- ◆ JSW Steel Ltd. has entrusted your Company for preparation of EIA report for expansion of JSW's Integrated Steel Plant from 16 to 18 MTPA at Vijayanagar, Toranagallu, Bellary. EIA report has been submitted.



- ◆ Jindal Saw Limited, Mundra has entrusted your Company for providing Design, Basic & Detail Engineering and Consultancy Services for modifying Tuyere Stock Assembly and incorporation of new Pulverised Coal Injection (PCI) System of Blast Furnace # 2. The engineering is completed & plant is scheduled for shutdown for site execution.
- ◆ Jindal Saw Limited, Mundra had entrusted your Company for providing know-how & technology as well as Detail Engineering and Consultancy services for installation of fourth Hot Blast Stove in existing 262 m<sup>3</sup> Mini Blast Furnace Complex. The Project has been successfully completed.
- ◆ JSPL, Raigarh has assigned your Company for carrying out a technical study to enhance capacity and expansion in the existing Rail Mill and installation of a new Rail welding plant

with a provision of Zinc coating and Off line head hardening plant. The technical study has been submitted to JSPL.

- ◆ KIC Metaliks Limited has entrusted your Company for providing Design, Engineering & Consultancy Services for Capital Repair of their Mini Blast Furnace (MBF). The Project is under execution.
- ◆ Kalyani Steel Limited, Hospet has entrusted your Company for Preparation of Critical Study Report for Upgradation of their Mini Blast Furnace # 2. The report has been submitted.
- ◆ Welspun Metaliks Limited, Gujarat has entrusted your Company for providing Design, Engineering & Consultancy services for Blast Furnace Plant, matching Sinter Plant and Ductile Iron Spun Pipe (DISP) Plant at Anjar. The project is under execution.
- ◆ ArcelorMittal KryvyiRih (AMKR), Ukraine has entrusted your Company to provide Consultancy services for construction of 5.0 MTPA Pellet Plant located in Ukraine, KryvyiRih. Your Company's scope of work covers review of Basic Engineering and P-Stage Engineering of EPC contractor for the Project. The project is under progress.
- ◆ Hindalco, Mouda works, Nagpur has entrusted your Company for preparation of Health survey report of two (2) nos. Foil Rolling Mills. The final report has been submitted.



- ◆ Electro Steels Limited (Vedanta) has entrusted your Company for undertaking of EIA/EMP studies covering ecological damage assessment for 3.0 MTPA (crude steel) integrated steel plant. Report has been submitted to MoEFCC.



### Non Ferrous Sector

- ◆ Kiri Industries Limited has entrusted your Company for preparation of Techno-Economic Feasibility Report (TEFR) for setting up a Greenfield Copper Smelter & Refinery Plant to produce 400 KTPA capacity Plant at Gujarat. The report is under preparation.
- ◆ NALCO has assigned your Company for the preparation of DPR for Red Mud Dry (Filtration) System at Alumina Refinery, NALCO, Damanjodi. The draft Report has been submitted to Client.
- ◆ NALCO has assigned your Company for the preparation of Detailed Feasibility Report for setting up another Aluminium Alloy Wire Rod Plant (WRM-4) at Angul for NALCO. The draft Report has been submitted to Client.
- ◆ Your Company is carrying out Detailed Engineering & Consultancy services for setting up an Aluminium Alloy Wire Rod Plant (WRM-3) at Angul for NALCO. Presently, the procurement activities are in process.
- ◆ Manganese Ore India Ltd. (MOIL) has entrusted your Company for the preparation of a Techno-Economic Feasibility Report (TEFR) for setting up a 10,000 TPA, high quality Electrolytic Grade Manganese Di-Oxide (EMD) Plant near their manganese ore mine in Bhandara District of Maharashtra. The report is under preparation.
- ◆ Hindustan Copper Ltd. has entrusted your Company for providing consultancy services for obtaining environment clearance for Capacity Expansion of Surda Underground Copper Mine from 0.317 MTPA to 0.9 MTPA. Recommendation has been granted by EAC, MoEFCC.

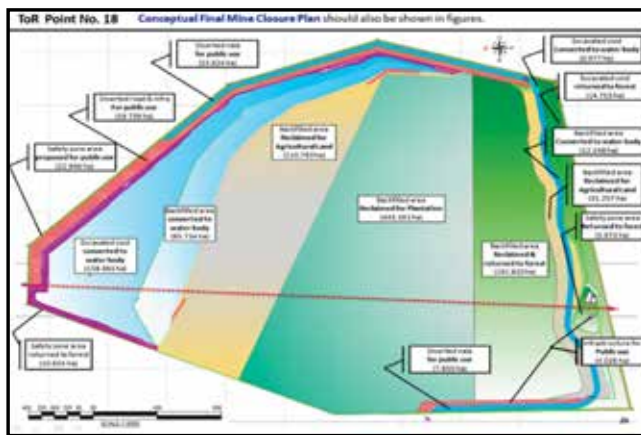


### Mining Sector

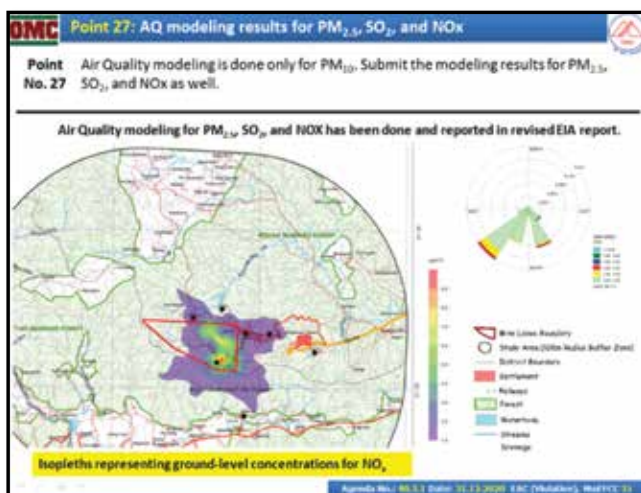
- ◆ Uranium Corporation of India (UCIL) has entrusted your Company for obtaining Environmental Clearance (EC) for their Tummalapalle mines of Andhra Pradesh State. The Environmental Impact Assessment (EIA) / Environmental Management Plan (EMP) report for obtaining Environmental clearance for

expansion of UCIL Tummalapalle mines has been submitted to Andhra Pradesh Pollution Control Board for conducting Public Hearing.

- ◆ Your Company has submitted Detailed Feasibility Report to Hutti Gold Mines Limited (HGML) for Construction of Decline from Surface to Seventh Level & Underground Mine Development at North Hutti area at Hutti Gold Mine of Karnataka State.
- ◆ Andhra Pradesh Mineral Development Corpn. (APMDC) has entrusted your Company to carryout EIA/EMP study for Suliyari Coal Mining Project in Singrauli, Madhya Pradesh. Environmental Clearance has been granted by MoEFCC.



- ◆ Odisha Mining Corporation (OMC) has entrusted your Company to carryout EIA/EMP study for expansion of 6 MTPA Daitari Iron Ore Mining Project in Keonjhar/ Jajpur district of Odisha. Environmental Clearance has been granted by MoEFCC.



- ◆ Steel Authority of India Ltd. has entrusted your Company for preparation of Detailed Project Report (DPR) for development of Begunia underground coal project in Mahatadih-Raidh coal block, Raniganj coalfield. DPR has been submitted.



- ◆ Uranium Corporation of India Ltd. (UCIL) has entrusted your Company to execute its various projects on Deposit Basis. Rohil, Garadih, Banadungri, Gogi, Kanchankayi and Jajawal Uranium Mine Projects are under execution.
- ◆ SAIL/Bokaro Steel Plant has entrusted your Company for providing Consultancy services for getting Statutory Clearance (EC from MoEFCC and NOC from SPCB) for Expansion cum Modernization of Bokaro Steel Plant. Environment Clearance has been granted.



**Power Sector**

- ◆ NTPC-SAIL Power Co. Ltd. (NSPCL) has entrusted your Company for providing consultancy services for detailed engineering & project monitoring for 1x250 MW coal based thermal power plant at Rourkela. Important milestone activities such as boiler light up, oil flushing, TG box-up and GIS charging have been successfully completed.
- ◆ TANGEDCO (Tamil Nadu Generation & Distribution Corporation) has entrusted your Company to conduct the feasibility study, preparation of FR, DPR, Tender Specification, evaluation & finalization of Techno-Commercial Bids for installation of suitable flue gas desulphurization system in their five thermal power stations. Preparation & submission of DPR for the 5th plant, finalisation of Tender Specification and Pre-bid discussions with the prospective suppliers for all 5 plants have been successfully completed.
- ◆ Damodar Valley Corporation has entrusted your

Company for carrying out RLA & Up rating study for Hydel Power Station Unit-1 & 3 (2x20MW) at Maithon. Final RLA report, final DPR & draft Tender Specification have been submitted for both Units # 1 & 3.

- ◆ Damodar Valley Corporation has entrusted your Company for carrying out RLA & Up rating study for Hydel Power Station Unit-1 (1x40MW) at Panchet. Final Tender specification has been submitted and NIT has been floated.
- ◆ Birla Copper Limited has entrusted your Company for providing Detailed Engineering & Consultancy services for installation of scrubber for Smelter – 1 and PMR unit at Dahej, Gujarat. Final Technical Specifications for both scrubber systems have been submitted.
- ◆ PAC for Boiler with Turbo Blower building package and FAC & PG Test Certificates for Steam Turbine Generator package have been successfully issued under 7.0 MTPA Expansion phase of SAIL/ Bhilai Steel Plant, Bhilai.
- ◆ NLC India Ltd. has entrusted your Company for consultancy services to carry out study and engineering for adhering to MOEF&CC norms in their existing thermal power stations. Techno-Commercial Evaluation Report (TCER) & Price Evaluation Report (PER) for Water Treatment System package and TCER for Flue Gas Desulphurisation plant package have been submitted.
- ◆ JCNL has entrusted your Company for providing Project Management & Coordination (PMC) Services for Bharatnet Project under Phase-II, Jharkhand for 11 Districts (Dumka, Jamtara, Godda, Garwah, Chatra, Khunti, West Singhbhum, Saraikela, Gumla, Simdega and Pakur) of Jharkhand. The project is under execution.



- ◆ Integrated commissioning Augmentation of Power Distribution System (APDS) of BIT Mesra, Ranchi has been completed.



- ◆ Jharkhand Government Tool Room (JGTR), Dumka has assigned your Company for design, engineering and consultancy services including procurement services for Solar PV System. The solar system has been installed and has been successfully commissioned.



- ◆ OPTCL, Odisha has entrusted your Company for Engineering & Project Management Consultancy Services to execute & commission 232 no. 33/11kV substations & associated 33kV & 11kV OH lines. As Project Management Consultant your Company has commissioned & handed over 158 nos. of 33/11kV substations & associated OH lines.



- ◆ Your Company has been rendering services as Project Management Agency (PMA) for JBVNL DDUGJY & IPDS works in Jharkhand. More than 40 nos. 33/11kV substations have been charged successfully and approximately 8000ckm of 33kV and 11kV feeder lines have been commissioned successfully. In JBVNL-IPDS Jharkhand, more than 10 nos. Utility circles have been commissioned and submitted for closure.



- ♦ Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited has entrusted your Company to provide Consultancy services for Fire detection and Fire Suppression measures for 5x200MW Power Plant at Obra. The job has been completed.
- ♦ Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited has entrusted your Company to provide Consultancy services for Fire detection and Fire Suppression measures for 'A'TPS & 'B'TPS, Anpara. The job has been completed.
- ♦ Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited has entrusted your Company to provide Consultancy services for Fire Suppression measures for PTPP, Pariccha. The job has been completed.

**Oil & Gas Sector**

- ♦ Your Company is providing Engineering & Project Management Consultancy services to Godavari Gas Private Limited (GGPL) for their City Gas Distribution Project to supply Natural Gas in East & West Godavari Districts of Andhra Pradesh State. The project is under execution.



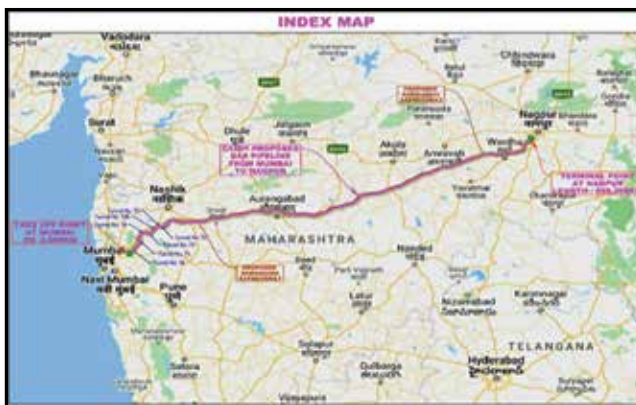
- ♦ Your Company has been providing Engineering and Consultancy services for the Modernization of Indian Oil Corporation Ltd. Lube Blending Plant at Paharpur, West Bengal. The plant is being commissioned in a phased manner.



- ♦ Your Company has completed EPCM services for Construction of Flare Gas Recovery System (FGRS) and Relocation of Tankages Loading Facilities (RTL) Terminal for Mangalore Refinery Petrochemicals Ltd. (MRPL), Mangalore.



- ♦ Indradhanush Gas Grid Limited (IGGL) has entrusted your Company to render PMC services for Natural Gas Pipeline project which will connect all States of North East and Sikkim. The project is under execution.
- ♦ GAIL (India) Ltd. has entrusted your Company for providing EPMC services for various Pipeline Projects and following are the major achievements:
  - 30" x 103 Km Dobhi-Durgapur Pipeline Section has been successfully commissioned.
  - 30" x 95.885 Km Kochi-Koottanad-Mangalore-Bangalore Ph-II Sec 1 pipeline has been successfully commissioned.
  - 30" x 353.792 Km Kochi-Koottanad-Mangalore-Bangalore Ph-II Sec IVB has been successfully commissioned.
  - 24" x 22.95 Km Singhsandra to Krishnagiri Pipeline (SKPL) Project [Karnataka section] has been successfully commissioned.
  - Basic engineering for 24" x 698 Km (approx.) Mumbai-Nagpur Pipeline has been completed.



- ♦ GAIL (India) Ltd. has entrusted your Company for river crossings of pipeline by Micro tunneling as part of Barauni-Guwahati Pipeline project.

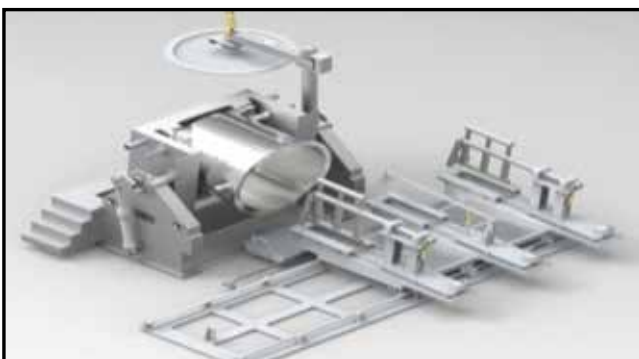
It is for the first time that your Company has been awarded work for river crossing of natural gas pipeline by micro tunneling method. Your Company is the EPMC consultant for 24"x723 km Barauni-Guwahati Pipeline project. The project is under execution.

- ◆ Hindustan Petroleum Corporation Limited (HPCL) has entrusted your Company for providing Engineering & Project Management Consultancy (EPMC) services for construction of New Green Field Depot at Hissar, Haryana. The project has been successfully completed.



#### Infrastructure Sector

- ◆ SDSC, SHAR, ISRO, Sriharikota has entrusted your Company for Design & Engineering, Supply, Erection and Commissioning of two nos. of Bowl Cleaning Machine (BCM). The complete set of Mechanical, Electrical & Hydraulics system has been delivered to SDSC-SHAR. Although supply has been completed, erection and commissioning are yet to start as front is not available.



- ◆ ISRO-IPRC, Mahendragiri, Tamil Nadu has entrusted your Company for Engineering, Procurement, Erection, Testing and Commissioning of Structural & Mechanical System (SMS) for Semi-Cryo Integrated Engine Testing Facility. Testing, commissioning and trial run of facilities have been completed. However integrated commissioning is yet to be carried out.



- ◆ Jharkhand Government Tool Room (JGTR), Ranchi has assigned your Company for detail engineering and procurement services for Livelihood Business Incubator Machines. Paper Napkin machine and computerized embroidery machine etc. They have been installed and successfully commissioned.



- ◆ Employees' State Insurance Corporation (ESIC) has entrusted your Company for rendering EPMC services for Capital Works for Construction of 100 bedded ESIC Hospital at Phulwari Sharif, Patna. The project is under execution.



- ◆ Employees' State Insurance Corporation (ESIC) has entrusted your Company for rendering EPMC services for Capital Works for Construction of 200 bedded Hospital (Expandable to 300 bedded) and 60 nos. staff quarters at Surat, Gujarat. The project is under execution.



- ◆ Indian Oil Corporation Limited (IOCL) has appointed your Company as its consultant for preparation of Detailed Project Report (DPR) of Utility Corridor for Chhapra City in Saran district in the state of Bihar. DPR has been submitted and approved by all stakeholders.
- ◆ Guru Ghasidas Vishwavidyalaya (GGV), Bilaspur has appointed your Company as "Project Management Consultant for the Management & Supervision with Architectural services for Execution of Projects/Works" in GGV Campus, Bilaspur. The project is under execution.



- ◆ Birsa Agricultural University (BAU), Ranchi has entrusted your Company the work of Project Management Consultancy for ongoing/ upcoming works (about 33 packages) of Birsa Agriculture University, Kanke, Ranchi. The work has been successfully completed.



- ◆ Indian Space Research Organisation (ISRO) has entrusted your Company for providing consultancy services for getting Environmental Clearance for their Human Space Flight Centre (HSFC) project at Ullarthi village, Challakere taluk, Chitradurga. Environmental Clearance has been granted.
- ◆ Your Company has been retained as an Environmental Engineering Consultant for Bhabha Atomic Research Centre (BARC) strategic project for Advanced Reconversion facility (ARCF) and Decontamination Waste Management Facility (DWMF) at Mysore, Karnataka and their Environmental Clearance have been received from MOEF&CC. Consent for Establishment have also been obtained from Karnataka State Pollution Control Board.
- ◆ Deendayal Port Trust has entrusted your Company for preparation of EIA/EMP report for "Replacement and revamping of pipeline network at oil jetty area, Kandla. EIA/EMP report has been submitted.



- ◆ Odisha Mining Corporation has entrusted your Company for preparation of EIA/EMP report for enhancement of Iron Ore Production from 2.4 MTPA to 6.0 MTPA at Kurmitar Iron & Manganese Ore Mine. Environmental Clearance has been granted.



Your Company is serving a large number of clients in Public and Private Sectors. Some of the major clients include SAIL, UCIL, NMDC, NALCO, RINL/ VSP, KIOCL, HCL, HZL, OSISL, APMDCL, OMD, OMC, IDCOL, NLC, ECL, CCL, NSPCL, JBVNL, MAHAGENCO, OPTCL, UPRVUNL, TANGEDCO, BPSCL, NPCIL, DVC, OHPC, GAIL, APPGCL, BGL,

ONGC, GGL, IGL, TNGCL, IOCL, HPCL, MRPL, BPCL, CPCB, VPT, KPT, PPT, GGV, MHU, IRSDC, HAL, BARC, ISRO, IREL, Indian Navy, Ministry of Ayush, ASHB, Heavy Water Board, Tata Group, Vedanta

Group, JSPL, JSW, KIC METALIKS, MONNET, UGSL, HINDALCO, TML, ADANI, Welspun Metaliks, TSLPL, South West Mining, ArcelorMittal (Ukraine), ASOI JV (Bangladesh) SNAM (Italy), etc.

## 2.0 BUSINESS DIVERSIFICATION

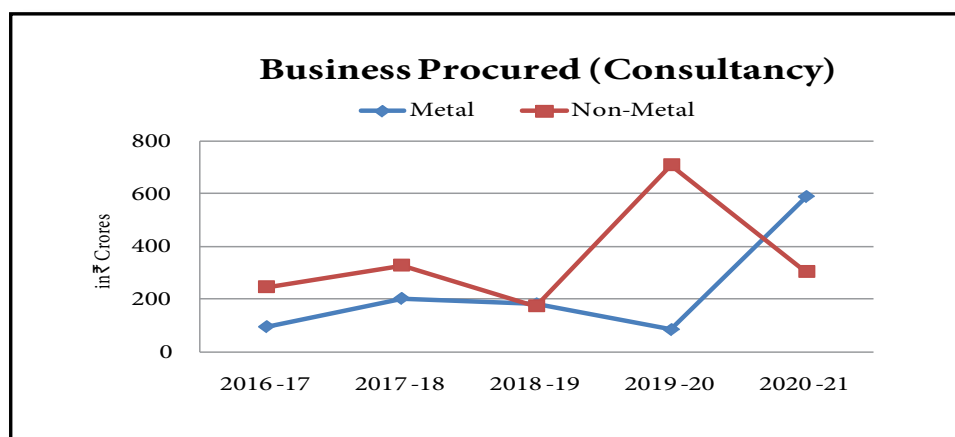
Considering the cyclic business in the steel sector over the past several years, your Company has strengthened its diversified business areas like Energy and Infrastructure to meet challenges emerging from changed business scenario. Your Company has ventured into newer areas of business like Energy Efficiency & Resource Conservation solutions with strategic partner. Your Company is also harnessing opportunities in areas like Zero Liquid Discharge (ZLD), Performance improvement of existing units and other value added services.

Business procurement in the area of Engineering Consultancy & PMC services was ₹797.28 Crore\* in previous year and ₹896.04 Crore\* during this financial year. In Supply / Turnkey projects it was ₹4132.59 Crore\* in previous year and ₹9343.25 Crore\* during this year.

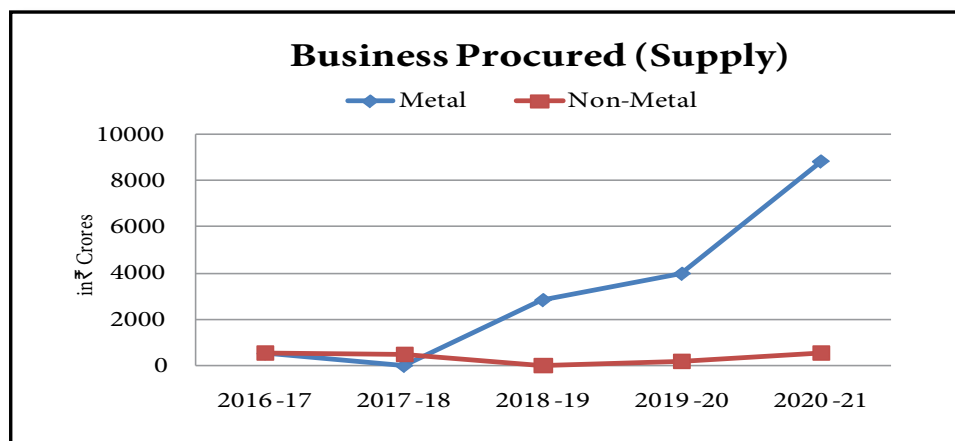
### BUSINESS PROCUREMENT

In (₹) Rupees Crore (including GST)

	2019-20		2020-21	
	Consultancy	EPC	Consultancy	EPC
Metal	85.55	3,965.77	591.14	8,799.64
Energy	683.40	-	275.60	-
Infra	28.33	166.81	29.30	543.61
Sub-Total	797.28	4,132.59	896.04	9,343.25
Total		4,929.87		10,239.29

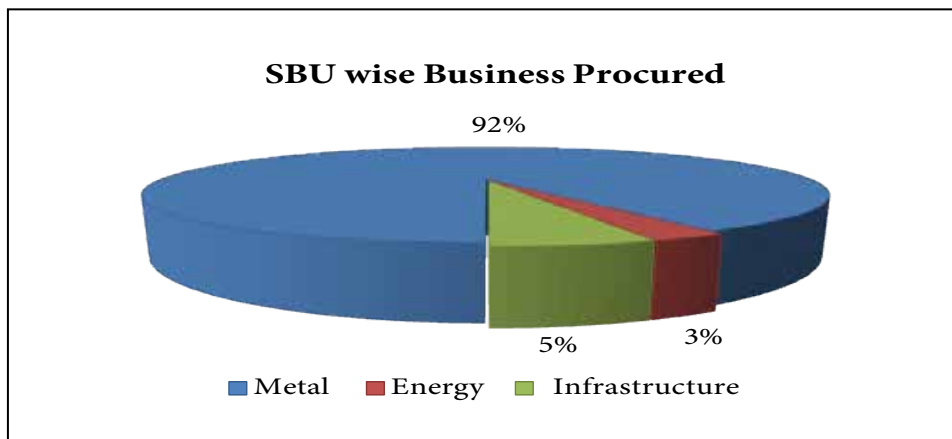


(Note (\*): All figures are inclusive of taxes)



(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 92%, 3% and 5% respectively.



### 3.0 MANAGEMENT INITIATIVES

Management would continue to endeavour increasing the market share and capitalize on existing capabilities to make inroads into new areas and taking along suitable strategic partners to register a formidable presence in all its Business Verticals in the forthcoming financial year.

With the upturn in business outlook in global steel market, management is focusing to reinforce its human resources and also taking all initiatives to synergize the experience, expertise and resources, to become successful in a highly competitive business environment.

To continue as a profitable organization with innovation and enhanced market share, your Company has taken initiatives such as refocus on clients with their project specific requirements, venturing into newer areas of business with strategic partners and in-house development of workforce for soft skill development and keep them motivated to meet challenges emerging from changing business scenario.

### 4.0 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. 2020-21.

### 5.0 ISO 9001:2015 CERTIFICATION

Your Company has been awarded ISO 9001:2015 standards Certification by M/s TÜV NORD. 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 certification audit by TÜV was completed in November, 2017 and Company's QMS has been certified for ISO 9001:2015 for a further period of three years with validity till 29.01.2021. Further due to pandemic extended validity of certification was provided upto 28.07.2021

### 6.0 INDIAN ASSIGNMENTS

Your Company has procured following major work orders during 2020-21:

#### Metals Sector

- ♦ Executing Agency for 6000 TPD Uranium Project at Kannampalle, AP for **Uranium Corporation of India Ltd.**
- ♦ Executing Agency for 1500 TPD Expansion for Tummalapalle Uranium Project at AP for **Uranium Corporation of India Ltd.**
- ♦ Executing Agency for Garadih Underground Uranium Mining Project for **Uranium Corporation of India Ltd.**
- ♦ Engineering, Procurement and Construction (EPC) services for Battery Proper under Rebuilding of Coke Oven Battery No. 7 & 8 at **SAIL/Bhilai Steel Plant**, Bhilai.
- ♦ Engineering, Procurement and Construction (EPC) services for Bauxite Storage, Handling & Secondary Crushing Package for 1.0 Mtpa Alumina Refinery at Damanjodi, Odisha for **National Aluminium Co. Ltd.**, Bhubaneswar.
- ♦ Engineering, Procurement and Construction (EPC) services for Battery Proper along with Quenching Tower, Coke Sorting Plant & By-Product Facilities for Rebuilding of Coke Oven Battery No. 2 at **SAIL/Rourkela Steel Plant**, Rourkela.
- ♦ Engineering, Procurement and Construction (EPC) services for Coal Handling Plant for Rajmahal OCP (10 MTPA) including O&M of 5 years for **Eastern Coalfields Ltd.**
- ♦ Engineering, Procurement and Construction (EPC) services for installation of 4<sup>th</sup> Stove in Blast Furnace No. 4 (work package) of **SAIL/Durgapur Steel Plant, Durgapur.**
- ♦ Detailed Engineering & Consultancy services for Blast Furnace, Sinter Plant & Ductile Iron Pipe

Plant at Anjar Gujarat for **Welspun Metallics Limited**, Mumbai.

- ◆ Consultancy services for Construction of Chromite Tailing Beneficiation Plant at South Kaliapani for **Odisha Mining Corporation Ltd.**
- ◆ TEFER and Design Engineering & Consultancy services for 2 Mtpa Pellet Plant and 3 Mtpa Beneficiation Plant at Keonjhar, Odisha for **Orissa Sponge Iron & Steel Ltd.**
- ◆ Providing services for completion of Balance Work of By-Product Plant Package of 3.0 MTPA Integrated Steel Plant at Nagarnar of **NMDC Limited.**
- ◆ Design, Engineering & Consultancy services for Metal Recovery Plant for SMS # 1, 2 & 3 at Vijaynagar Works for **South West Mining Ltd., Bellary.**
- ◆ Engineering, Procurement and Construction (EPC) services for Full Relining Job of NLCP KILN#3 of **SAIL/Durgapur Steel Plant, Durgapur.**
- ◆ Engineering and Procurement services for setting up of Common Facility Centre (CFC) for **Baruipur Surgical Cluster Welfare Association.**
- ◆ Detailed Engineering & Consultancy services for Technological Upgradation and improvement of other Facilities of MBF# 2 for **Tata Metaliks Ltd.**
- ◆ Design Engineering & Consultancy services for implementation of Modification Schemes for Stacking Route of High Grade Circuit for **JSW Steel Limited, Bellary.**
- ◆ Design, Engineering & Consultancy services for Conversion of 3 Strand Beam Blank Caster to 3 Strand Bloom cum Beam Blank Caster in SMS-III of **SAIL/Bhilai Steel Plant, Bhilai.**
- ◆ Design, Engineering & Consultancy services for Modification of Junction House J-13A, installation of new redundant Conveyor from screening building to J13A and addition of new RMHS redundant Conveyor parallel to Conveyor 7 & 7A for **JSW Steel Limited, Bellary.**
- ◆ Consultancy services for Verification and Certification for Stability of Main Production building Structural work of BOF and CCP Shop of **SAIL/Bhilai Steel Plant, Bhilai.**

#### Energy Sector

- ◆ Engineering & Project Management Consultancy (EPMC) services for Sonipat, Meerut, Dewas, TTZ (SMDT) & Begaluru GA for 03 years for **GAIL Gas Limited.**
- ◆ Engineering & Project Management Consultancy (EPMC) services for implementation of Mumbai-Nagpur-Jharsuguda Pipeline Project for **GAIL, Noida.**

- ◆ Engineering & Project Management Consultancy (EPMC) services for City Gas Distribution Project at Hyderabad, Vijayawada & Kakinada GAs for 02 years for **Bhagyanagar Gas Limited.**
- ◆ Engineering & Project Management Consultancy (EPMC) services for Engineering and Procurement services for City Gas Distribution (CGD) projects for 6 cities for **GAIL (India) Limited.**
- ◆ Engineering & Project Management Consultancy (EPMC) services for City Gas Distribution Project of GGPL in East & West Godavari Districts of AP for **Godavari Gas Private Ltd. (GGPL), Rajahmundry.**
- ◆ RLA Study and Life Extension and preparation of Detailed Project Report for taking up Renovation Modernization & Uprating of all four units of (LSHEP) Lower Sileru Hydro Electric Project (4x115 MW) of **Andhra Pradesh Power Generation Corporation Ltd.**
- ◆ Engineering & Project Management Consultancy (EPMC) services for Mitigation measures for exposed Gas Pipeline in Banas River near Bhilwara, Rajasthan for **GAIL, Vijaipur.**

#### Infrastructure Sector / Other Engineering

- ◆ Executing Agency for providing Architecture, Detailed Engineering and Project Management Consultancy services and allied works for Construction of Campus for **Maharana Pratap Horticultural University (MHU)** at Karnal, Haryana.
- ◆ Engineering, Procurement and Construction (EPC) services for Crushing Plant including Feeder & Minor Conveyors at Panchpatmali Mine, Damanjodi, Odisha for **National Aluminium Co. Ltd., Bhubaneswar.**
- ◆ Detailed Engineering and Consultancy services along with Project Management Services for setting up of Infrastructure Facilities for Indian Coast Guard at its new location in Mangaluru, Karnataka for **Military Engineer Services (MES), Goa.**

#### 7.0 FOREIGN ASSIGNMENTS

Overseas assignment bagged by your Company is highlighted below:

- ◆ Engineering & Project Management Consultancy (EPMC) services for providing Additional Engineering & Support Services for Chittagong Dhaka Pipeline (CDPL) Project, Bangladesh for **ASOI JV, Bangladesh.**
- ◆ Consultancy services for Review of Basic Engineering & P-Stage Engineering Services for New Construction of Pellet Plant on the territory of PJSC **ArcelorMittal KryvyiRih (AMKR) Ukraine.**

- ♦ Preparation of Study Report including CAPEX OPEX estimations for CNG stations in India for **SNAM, Italy.**

### 8.0 FUTURE BUSINESS VISION

COVID-19 pandemic has led to dwindling business, deferred or reduced business spends. But, with the passage of time and most of the industries coming back to normalcy, the market would certainly offer some potential business opportunities.

Your Company has strategized to strengthen its core sectors i.e. metals & mining, continuing with diversification strategy, aligning with opportunities emerging from various Governmental policy initiatives / implementation programme, business collaboration with foreign technology suppliers and expansion in overseas market. Your Company is also delivering projects through EPC & Deposit Works mode, in addition to its conventional portfolio of Consultancy &

Project Management Services for providing impetus to both its top and bottom lines.

Your Company is aiming to emerge as a Design, Engineering, Consultancy & EPC Contracting organization to drive indigenization efforts and give impetus to “Atmanirbhar Bharat” Abhiyan of Govt. of India.

Your Company has ventured into newer areas of business with strategic partners to meet challenges emerging from changed business scenario. Establishing presence in EPC segments other than metals is another focus area.

Your Company is also striving for geographical diversification in Metals and Oil & Gas in International market for harnessing business potential through participation in overseas projects particularly in MENA, South East Asia and Indian sub- continent region.

### 9.0 FINANCIAL RESULTS

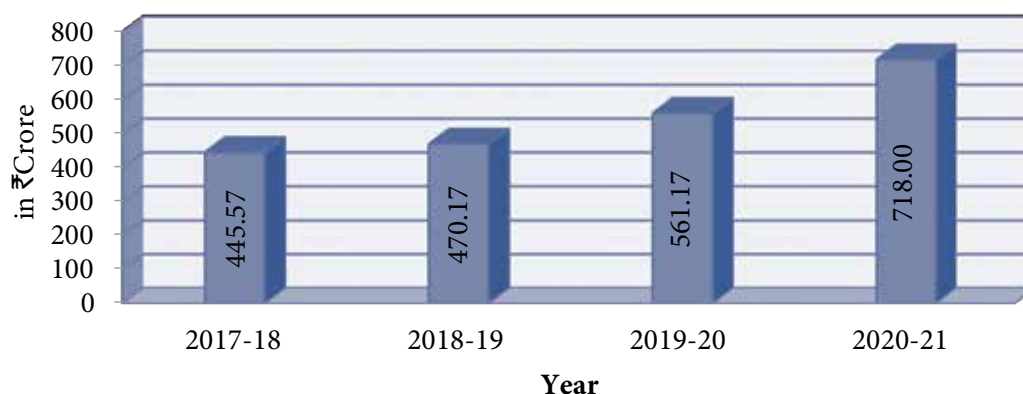
The financial highlights for the period under review are as under:-

(₹ in Lakh)

PARTICULARS	2020-21		2019-20	
Material changes and commitment, if any, affecting the financial position which has occurred between the end of financial year to which the financial statements relate and the date of the report.		NIL		NIL
The amount, if any which is proposed to carry to any reserve.				
Opening Balance	35,810.30		30,032.11	
Addition during the year	624.37		6,900.43	
Utilized / Reversed during the year	(-)3,339.75		(-)1,122.24	
Closing Balance		33,094.92		35,810.30
Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013.		# 519.52		# 519.52
Particulars of contracts or arrangements with related party referred under section 188(1) in Form AOC-2 ( <b>Annexure- I</b> ).		NIL		NIL
Details of Frauds reported by auditor under section 143 other than those who are reportable to the Central Government.		NIL		NIL
Financial Summary/ Highlights of the Company		<b>Detailed in Management Discussion and Analysis Report</b>		-
Details of Deposits covered under Chapter V of the Companies Act, 2013		-		-
Disclosure, as to whether maintenance of cost records as specified under Section 148(1) of the Companies Act, 2013 is required by the Company and accordingly such accounts and records are made and maintained.		No		No

# Represents the investment (Gross) made by the company.

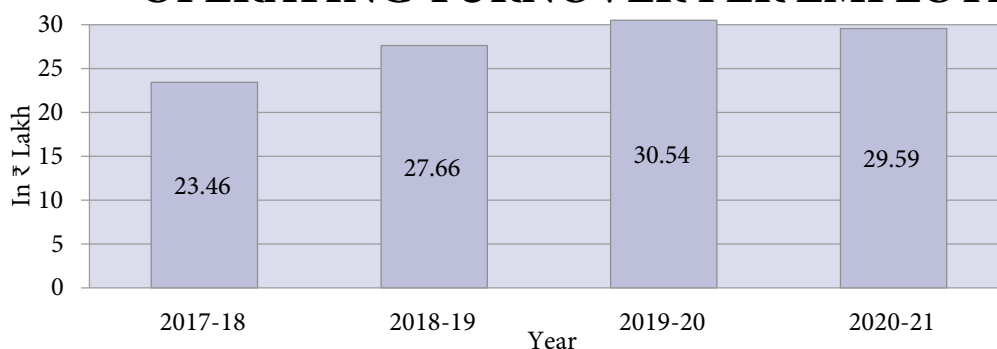
## TURNOVER



### 10.0 EARNING PER EMPLOYEE

Operating Turnover per employee per year is as follows:

### OPERATING TURNOVER PER EMPLOYEE



### 11.0 DIVIDEND

Considering the financial position, CAPEX, future business expansion needs, etc., Dividend on Equity Share Capital is not recommended for the FY 2020-21.

#### 11.1 Cumulative Dividend & Tax Paid

Your company which has paid up capital of ₹4,013.84 lakh (previous year ₹4,013.84 lakh) including Bonus Shares worth ₹40.31 lakh, has paid cumulative dividend including tax (Equity & Preference) of ₹10,031.21 Lakh till 2020-21 and have not recommended any dividend for F.Y. 2020-21. The cumulative income tax to the exchequer amounting to ₹53,541.11 Lakh has been paid / provided till 2020-21.

### 12.0 RESEARCH & DEVELOPMENT

Indian steel industry is growing fast and India 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.

Moreover, in today's context when global focus is to decarbonize the steel industry in a bid to bring down the CO<sub>2</sub> emission level, R&D units have a larger role to play in probing, imbibing, disseminating and establishing alternative process routes such as H<sub>2</sub>-steel making process to mark the onset of fossil fuel substitution, partially to begin with, en route to a "fossil fuel free operation" in future. This warrants a lasting effort over a period of time.

R&D in your Company plays a vital role in the innovation process either in technology development with specific technology solutions or specify the major technology areas in the field of iron ore beneficiation, coal washery, agglomeration, iron and steel making, energy saving, environmental emission etc. to optimize specific consumption, production cost etc.

Furthermore, self-sufficiency in production of high grade steel will also pave the way for import reduction.

R&D division is also carrying out other projects pertaining to DRDO, MOEF, DST, Ministry of Mines etc. in addition to steel sector. The major focus of your Company's R&D activities relates to incremental technology development to address the present and short term future needs of various production units of steel plants with association of other departments of the Company. Your Company's R&D is associated with the platform, "Steel Research & Technology Mission of India" (SRTMI), "IMPRINT" and "Innovation Cell" to carry out R&D programs of national importance.

On-going project/exercise

### Ground level Ozone monitoring around Ranchi town

The monitoring of ground level of Ozone was conducted in two phases using prototype Ozone Monitoring System developed by your Company.

In the first phase, monitoring was conducted in your Company's premise. Maximum and minimum concentrations registered were 22.61 ppb and 15.75 ppb respectively.

In the 2nd phase, monitoring was carried out around Ranchi town. Maximum of 43.87 ppb and minimum of 29.15 ppb were registered which was within the threshold limit of CPCB norms.

Note: CPCB norms is  $180 \mu\text{g}/\text{m}^3$  or 90 ppb (parts per billion) (1 hour mean).

### Patents under process

Your Company has filed 56 patent applications at Indian Patent office out of which 45 patents have been granted so far and currently eleven (11) applications are under process.

### Recognition of MECON R&D

Renewal of recognition of MECON R&D has been obtained from DSIR, Govt. of India vide letter no. TU/IV-RD/1191/2019, dated 17-06-2019 for Three years (up to 31/03/2022).

## 13.0 CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

### 13.1 Conservation of Energy

Efforts are being undertaken to promote steel plant configuration by eliminating energy intensive technologies and introducing state-of-the art energy efficient technologies.

The various energy saving measures undertaken by the

Company for itself as well as for Clients during 2020-21 are summarized below:

### Coke making plants

In all assignments of Clients following latest energy efficient green technologies, as applicable, are envisaged / implemented and some of newly developed are to be implemented:

- i) Machine based Hydro-jet door cleaning system adopted in VSP COB no. 5. This will yield a two way benefit of less machine travel time (hence less power consumption) as well as less pollution through doors (Conservation of energy through prevention of energy rich raw coke oven gas leakage).
- ii) VVVF drive for Raw Gas Exhauster has been adopted in BPP plant of VSP COB no. 5 to save electrical power.
- iii) Oven roof sliding joint & SS foil at oven roof for arresting leakage of raw C.O. gas.
- iv) Prevention of gas leakage through oven doors by installing Zero-leak doors.
- v) Water re-circulation for water sealed AP Lids for reduction of usage of water and hence less power consumption.
- vi) Use of Pneumatically sealed AP lids for reduction of usage of water.
- vii) Coke Dry Quenching Plant for waste heat recovery & reduction of air pollution and improvement of coke quality that improves efficiency of Blast Furnaces i.e. reduction in carbon footprint.
- viii) Modified wet quenching system with reduced quenching cycle time for saving power and limiting coke moisture below 4% that reduces coke consumption in Blast Furnaces i.e. reduction in carbon footprint.
- ix) Computerised Oven Heating Control (COHC) system for optimising specific heat consumption.
- x) Sulphur Recovery Technology from Raw gas: for facilitating waste heat recovery and reduction of SO<sub>x</sub> emission through chimney.
- xi) BOD / MBC plant for processing the effluent waste water generated during coke making process.
- xii) Automatic Flare Stack for raw coke oven gas to be considered & installed in Gas off-take system for reduction of pollution.
- xiii) Water level management of Water sealed AP lids

using external supply tank water level control for reduction of water consumption.

xiv) New design to be implemented in new projects:-

Newly developed high capacity Coke Oven Module- Angara 7.1A. The advantages of such high capacity coke oven are

- Less number of pushing / charging operation
- Lesser Pollution
- Lesser power consumption & operating cost, hence lesser carbon footprint.

### Iron Making Units

- i) **Pulverised coal injection:** For reducing coke rate in the blast furnace, saving large amount of energy consumed in coke making, reducing the size of coke ovens, thereby emissions and maintenance costs.
- ii) **Top recovery turbine (wet type):** Modern blast furnaces invariably are provided with Top recovery turbine with high top pressure operation. It is a very effective energy saving measure in the blast furnace which utilizes the pressure energy of the blast furnace top gas to generate electric power.
- iii) **Waste gas heat recovery system:** It increases the temperature of BF / mixed gas and combustion air utilizing the sensible heat of the waste gas of stoves leading to high hot blast temperature, thereby aid in saving of precious metallurgical coke in BF.
- iv) **Adoption of VVVF drives:** It helps in better process control and reduction in energy consumption. Modern high capacity pellet plants of 816 m<sup>2</sup> grate area each, as being engineered in JSW, Dolvi and Toranagallu, are equipped with extensive VVVF drives in the process fans, mixer, balling disc, etc. VVVF drive has also been adopted in iron ore wet grinding ball mill to optimize power consumption for operation with hard / soft ore.

### Steel Melting Shops

- i) **K R Prosses: Kanbara Reactor** is a hot metal pre-treatment facility that can remove sulphur in the hot metal to lower levels and at a cheaper cost than the conventional facilities. Comparing the injection method using magnesium and calcium carbide, KR method uses lime. The desulphurization cost can be reduced by approximately 45%.

Adoption of this KR Process of HMDS (Hot Metal Desulphurization System) has been done in JVML new SMS for a higher heat size of 350 t.



- ii) **Dry GCP in Steel Melt Shop:** Engineering of JVML new SMS with dry GCP over the conventional wet type, which uses large amount of water and electric power, is under advanced stage. In this dry process energy recovery advantage has been achieved and process steam is being generated to the tune of around 98 T/hr with pressure varying from 20-40bar and temperature of 217 – 250<sup>o</sup> C.

### Electrics

- i) Implementation of power factor compensation/improvement through APFC control (Automatic power factor control) in several ETPs (Effluent treatment plants) of OMC (Orissa Mining Corporation) and ZLD (Zero liquid discharge) plants of RSP, SAIL to reduce overall power requirement.



- ii) Implementation of hybrid solar inverters in Jharkhand MSME tool room at Dumka, which

shall not only provide seamless power supply to the machines, but also export the generated solar power to the grid during the holidays.



iii) Use of regenerative braking in drives for high capacity Cranes in NISP, Nagarnar.

Further your Company has envisaged and has taken various proactive steps with its full commitment towards Energy Efficient Economy by switching to and adopting Energy Efficient technologies at its Offices and Township.

Your Company primarily being a Consultancy Organization is rendering Energy Efficient and Sustainable technologies to its Clients through adoption of various systems/measures such as FGD (Flue gas desulphurisation), zero liquid discharge, Solar power plants, and use of Variable Frequency Drives, Energy Efficient Electrical Equipment, capacitor banks, etc. in its various projects.

As a result of several Energy Conservation measures taken by your Company, the Annual Energy Consumption and CO<sub>2</sub> Emission has significantly reduced, which is evident from the table given below :

Year	Annual Electrical Energy Consumption (kWH)	Annual CO <sub>2</sub> Emission (in Tonne @ 0.85kG/kWH)
2015-16	1906520	1620.54
2016-17	1786196	1518.27
2017-18	1480330	1258.28
2018-19	1380360	1173.31
2019-20	1323720	1125.16
2020-21	1081680	919.43

For In-house energy savings both in Office and Township following steps are taken.

➤ **Energy Efficient Lighting**

The lighting of MECON Office and its Township has been converted to 100% LED lighting

- All Outdoor HPSV (High pressure sodium vapour) lamps of Office Complex are being replaced with LED lamps.
- All Indoor fluorescent lamps of Office Complex has been replaced with LED lamps
- All Outdoor HPSV lamps of Township are replaced with LED lamps.

➤ **Energy Audit**

For identifying future Energy Saving Measures to be adopted and for accounting, budgeting and controlling of Energy Consumption, Detailed Energy Audit of Office and Township was conducted in-house in the year 2020-2021

➤ Conversion of overhead LT line to underground LT cables which is envisaged to be completed by 2021-22. This will not only reduce maintenance and downtime but also result in energy savings.

➤ Energy efficient fans (BLDC technology)

Phase wise removal of old fans (80kW rating) with Energy Efficient fans (30 kW rating) having BLDC technology.

➤ Rooftop Solar PV

Your Company is committed to set up 140 kWp Rooftop Solar PV based power generation system at its Head Office at Ranchi, out of which 80 kWp is installed in three phases (1st phase – 20 kWp, 2nd phase – 20 kWp, 3rd phase – 40 kWp ). Balance 60 kWp rooftop solar PV system shall be completed by 2021-2022.

**13.2 Technology Absorption**

The detailed information on efforts made and benefits derived like products improvement, cost reduction, product development or import substitution from technology absorption along with 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.

**14.0 FOREIGN EXCHANGE EARNING AND OUTGO**

Foreign Exchange earnings and outgo of your Company during the year 2020-21 are given below.

Particulars	(₹ in Lakh)
Foreign exchange Earnings	363.70
Foreign exchange Outgo	21.63

## 15.0 HUMAN RESOURCE DEVELOPMENT

Despite the turbulent time due to Covid-19 pandemic, developing and sustaining a competent and highly responsive workforce with adequate domain expertise, by constantly upgrading their knowledge and skills was put on topmost priority. Along with acquiring new skills and sharpening existing ones, focus was also laid upon conducting the training programs in a safer environment with 100% implementation of social distancing norms.

Adaptation of Web-based training program was encouraged. MOOC platforms such as EdX, Coursera, Udemy were utilized for trainings such as Project Management, 3D Modelling, Analyzing and visualizing data with excel, Solar Energy etc. Knowledge sharing sessions were organized through platforms such as CISCO Webex. Integrity being our topmost value, sharing of best practices for Preventive Vigilance was given utmost importance. First of the Management Development Program was also conducted for the newly promoted employees. Towards holistic growth, health awareness sessions and orientation towards superannuation were also organized through blended mode of learning.

Management has achieved 710 Man days of training and development (Technology – 189 Mandays, Technical Skill related – 238 Man days and Soft Skill – 283 Man days) as against the target of 534 Man days fixed for this financial year.

## 18.0 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 31st March, 2021	SC		ST		PWD	
		No	%	No	%	No	%
A	1022	218	21.3	59	5.8	5	0.5
B	39	3	7.7	15	38.5	0	0
C	85	16	18.8	40	47.1	5	5.9
Total	1146	237	20.7	114	9.9	10	0.9

The Company has adopted adequate measures for safeguarding their interests and welfare, such as promotion as per general trend, power 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

## 16.0 PERSONNEL & WELFARE

Employees' strength of your Company at the end of the year i.e., as on 31.03.2021 stands at 1146. Out of the total strength of 1146, 237 belong to SC, 114 belong to ST & 10 belong to PWD category. Out of the total strength of 1146 employees, 114 are female employees.

### 16.1 Sexual Harassment of women at workplace (Prevention, Protection and Redressal Act, 2013)

Number of Cases filed	Number of cases disposed.
Nil	Nil

16.2 As per DPE Guidelines, Women in Public Sector (WIPS) Cell was established in your company in November, 2015 for development of women employees and for promoting their interactions with women employees of other public sector units.

## 17.0 INDUSTRIAL RELATIONS

The Company focused on employee relationship and all employee related matters were addressed leading to greater satisfaction of the employees. The work atmosphere remained healthy and harmonious and this helped the Company to achieve better productivity. The Company continued to have peaceful and cordial relations with the employees and most of the issues were resolved through interactions and dialogue with the representatives of Non-Executive and Executive employees. Liaison with other associated external agencies was also maintained cordially and on regular basis.

Rosters with regard to recruitment and promotion of SCs/ STs, SC/ST Cell has been formed with General Manager I/c (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 the Company 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.

### 19.0 CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY DEVELOPMENT (CSR&SD)

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, Sanitation (Swachh Bharat Abhiyan), Drinking Water, Education, Skill development & Livelihood, Projects for Divyangs, Social Welfare, Benefit to Armed Forces Veterans, War widows and their dependent, Sports, Rural development, etc.

The total CSR expenditure on the above Projects / Activities during FY 2020-21 was **Rs. 44.68 Lakh**; out of which **Rs. 34.97 Lakh** was spent from the Unspent (Carry-over) amount of **Rs. 216.51 Lakh**; and **Rs. 9.71 Lakh** was spent from the allocated fund of **Rs. 93.99 Lakh** for FY 2020-21.

The details of Projects / Activities carried out with respect to the Unspent (carry-over) Fund of FY 2019-20 are enclosed at **Annexure- I of Appendix- 2** and the details with respect to Fund allocated for FY 2020-21 are furnished at **Annexure- II of Appendix- 2**.

### 20.0 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 making all out efforts to achieve the targets fixed in the Annual Programme issued by Rajbhasha Vibhag, Ministry of Home Affairs, Govt. of India. For this purpose, there is an Official Language Implementation Committee under the Chairmanship of CMD. Hindi workshops are being organised regularly for the employees. Your Company is an important member of Town Official Language Implementation Committee (TOLIC) (PSU), Ranchi and actively participates in all the programmes of TOLIC.

Rajbhasha Vibhag of the company had organized the following programmes during 2020-21:-

Your Company has celebrated Hindi Diwas and Hindi Fortnight during the period from 14<sup>th</sup> September to 28<sup>th</sup> September 2020 every year. This year, Hindi Diwas and Hindi Fortnight was observed following the guidelines of Covid-19 pandemic by maintaining social distance & using Mask and Sanitizer. The programs organized during Hindi Fortnight were as follows: -

Date 14.09.2020 - Inauguration of Hindi Diwas and Hindi Fortnight - Hindi Diwas and Hindi Pakhwara were inaugurated on 14<sup>th</sup> September, 2020 wherein

the Chairman and Managing Director and all functional directors were present. From the board room Chairman and Managing Director administered pledge. Subsequently, all the directors read in turn the messages of Home Minister, Steel Minister, Minister of State for Steel, Cabinet Secretary.

On this occasion the Chairman and Managing Director also released online 'Mecon Bharati E-Patrika' which was uploaded on the Company intranet on the portal of 'Rajbhasha Vibhag'.

On 15<sup>th</sup> September 2020, the Hindi Essay Competition was conducted entirely through online system. A total of 33 participants took part in the essay competition.

An online Ex-tempore speech competition was organised on 18<sup>th</sup> September 2020 wherein 13 participants participated in this competition.

Further an online Poetry recitation competition was organized on 21<sup>st</sup> September, 2020 wherein 20 participants participated in this competition.

On 23<sup>rd</sup> September 2020, your Company celebrated the birth anniversary of Rashtrakavi Ramdhari Singh 'Dinkar'. On this occasion famous poems of Dinkar ji were sent through common mail and along with it a Hindi workshop was also organized.

Prize Distribution ceremony for Hindi Pakhwara was organised on 15.10.2020 wherein participants were rewarded.

Similarly, Hindi Diwas and Hindi Fortnight were celebrated in our Delhi and Bengaluru offices from 14<sup>th</sup> September to 28<sup>th</sup> September, 2020.

Implementation of Hindi was inspected by the Third Sub-Committee of the Parliamentary Committee on 25<sup>th</sup> November, 2020 in our Delhi office.

The usage of Hindi in our Headquarters, Ranchi was inspected online on 15.01.2021 by Shri Nirmal Kumar Dubey, Deputy Director (Implementation), Government of India, Ministry of Home Affairs, Department of Official Language (Eastern Region), Kolkata.

Apart from Hindi Pakhwara, a Hindi workshop was organized in every quarter.

### 21.0 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 inspections, 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 2020 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 2021, your Company has signed Integrity Pact (IP) with 216 suppliers/contractors. So far no representation/ complaints/ disputes have been received in the matters of tenders and contracts under IP.

Vigilance Awareness Week-2020 was observed at the Head Office of your Company in Ranchi and at various

Engineering & Site Offices of the company from 27<sup>th</sup> October to 2<sup>nd</sup> November, 2020 in which the employees participated with enthusiasm. The theme for observing Vigilance Awareness Week 2020 was "Vigilant India – Prosperous India". 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. 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. A quiz competition for the employees of MECON through Mobile App developed in-house, was also conducted.

As a part of observance of Vigilance Awareness Week-2020, a Signature Campaign was also made during this week, to support this year's theme "Vigilant India-Prosperous India".

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 "MECON LTD. observes Vigilance Awareness Week-2020. Please take online e-integrity pledge by visiting CVC link <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, Fraud Prevention Policy and RTI Manual 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 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.

## 22.0 DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT.

Your Company has 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 potential risk which could have threatened the existence of your Company. However, 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.

## 23.0 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. All relevant manuals pertaining to RTI Act, 2005 have been hoisted on the Company's website [www.meconlimited.co.in](http://www.meconlimited.co.in) w.e.f 19.09.2005 and are periodically updated. A Public Information Officer (PIO) 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 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) and Transparency Officer has also been appointed in accordance with the RTI Act to ensure smooth and effective implementation of the RTI Act.

All quarterly and annual returns are timely e-filed with the Statutory Authorities.

## 24.0 CHANGES IN BOARD OF DIRECTORS UPTO THE DATE OF AGM.

Shri P.K.Sarangi, Director (Technical) retired from the services of the Company on attaining the age of superannuation on 31.05.2020.

Shri Vijoy Kumar Singh, who was appointed as Government Director on 17.03.2020, ceased to be the director of the Company w.e.f 17.12.2020.

Shri Shashank Priya, AS&FA holding additional charge of Financial Advisor of Ministry of Steel, Govt. of India was appointed as Government Director w.e.f. 17.12.2020 and ceased to be the director of the Company w.e.f. 23.04.2021.

Ms Sukriti Likhi, IAS, AS&FA Govt. of India, Ministry of Steel was appointed as Government Director w.e.f. 23.04.2021.

Shri Atul Bhatt was appointed as CMD of RINL and accordingly he resigned from the post of CMD w.e.f. 13.09.2021. Shri Salil Kumar, Director (Projects) of the Company assumed the charge of CMD (Additional Charge) w.e.f. 13.09.2021 initially for a period of three months.

## 25.0 MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

## 26.0 CORPORATE GOVERNANCE

Your Company has complied with the requirements of Corporate Governance Guidelines issued by Govt. of India. The detail in this regard forming part of this report is enclosed vide **Appendix- 4**.

## 27.0 ANNUAL RETURN

Pursuant to Section 134 and Section 92(3) of the Act 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://meconlimited.co.in/Writereaddata/Downloads/AnnualReturnFor2020-2021.pdf>

## 28.0 AUDITORS

M/s. Anjali Jain & Associates, Chartered Accountants,

was appointed as the Statutory Auditors for the financial year 2020-21 by the Comptroller & Auditor General of India (C&AG).

### **29.0 DIRECTOR'S RESPONSIBILITY STATEMENT**

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 31<sup>st</sup> March, 2021, 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 2020-21 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.

### **30.0 INDEPENDENT DIRECTOR DECLARATION**

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.

### **31.0 ACKNOWLEDGEMENT**

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: 23.10.2021

# 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

1. Details of contracts or arrangements or transactions not at arm's length basis
  - (a) Name(s) of the related party and nature of relationship NIL
  - (b) Nature of contracts/ arrangements/ transactions NA
  - (c) Duration of the contracts/ arrangements/ transactions NA
  - (d) Salient terms of the contracts/ arrangements or transactions including the value, if any NA
  - (e) Justifications for entering into such contacts or arrangements or transactions NA
  - (f) Date(s) of approval of the Board NA
  - (g) Amount paid as advance, if any NA
  - (h) Date on which the special resolution was passed in the general meeting as required under first proviso to section 188 NA
  
2. Details of materials contacts or arrangements or transactions at arm's length basis
  - a) Name(s) of the related party and nature of relationship NIL
  - b) Nature of contracts/ arrangements/ transactions NA
  - c) Durations of the contracts/ arrangements/ transactions NA
  - d) Salient terms of the contracts or arrangements or transactions including the value, if any NA
  - e) Date(s) of approval of the Board, if any NA
  - f) Amount paid as advance, if any 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.	An indigenous Centralized Electrical SCADA system for the single point control, monitoring, event recoding and interfacing with the SCADA of other Electrical systems in an Integrated steel plant.	The centralized SCADA system substantially reduces the manpower needed for operation of the substations creating the concept of unmanned substations in the plant.																					
2.	Floating type solar power panels in steel plant reservoirs.	Research and application of floating type solar power panels in steel plant reservoirs to not only generate significant amount of solar power but also prevent surface evaporation loss of industrial water in the reservoir.																					
3.	Ground level Ozone monitoring around Ranchi Town.	The benefit of the project is that the developed portable system can continuously monitor and record the date of ground level ozone concentration at desired location/s with minimum efforts and arrangements. Corrective action can be prescribed for optimizing the ground level ozone concentration after proper monitoring and assessment of impact of Ozone.																					
4.	<p>Indigenously developed and designed Modern High Capacity (Jumbo) Coke Oven Battery named "Angara 7.1" having higher useful volume than existing 7.0m batteries installed in some steel plants with the following details.</p> <table border="1"> <thead> <tr> <th>Parameters</th> <th>7 m Batteries</th> <th>7m (Angara 7.1)</th> </tr> </thead> <tbody> <tr> <td>Length of oven</td> <td>16000 mm</td> <td>16960 mm</td> </tr> <tr> <td>Avg. oven width</td> <td>410 mm</td> <td>460 mm</td> </tr> <tr> <td>Height of oven</td> <td>7000 mm</td> <td>7000 mm</td> </tr> <tr> <td>Oven to Oven Pitch</td> <td>1400 mm</td> <td>1450 mm</td> </tr> <tr> <td>Useful volume</td> <td>41.6 m<sup>3</sup></td> <td>49.8 m<sup>3</sup></td> </tr> <tr> <td>Coke per push (dry)</td> <td>24.03 T</td> <td>28 T</td> </tr> </tbody> </table>	Parameters	7 m Batteries	7m (Angara 7.1)	Length of oven	16000 mm	16960 mm	Avg. oven width	410 mm	460 mm	Height of oven	7000 mm	7000 mm	Oven to Oven Pitch	1400 mm	1450 mm	Useful volume	41.6 m <sup>3</sup>	49.8 m <sup>3</sup>	Coke per push (dry)	24.03 T	28 T	<p>Three Principles on which it is developed.</p> <ul style="list-style-type: none"> <li>➤ Improvement in economies of Coke production</li> <li>➤ Optimization of the Coke Quality</li> <li>➤ Lesser Environmental Footprints</li> </ul> <p>Advantages of high capacity Coke oven installation are as follows:</p> <ul style="list-style-type: none"> <li>➤ Less land / space requirement for same coke production</li> <li>➤ Less number of pushing &amp; charging and reduced number of opening resulting in less emission and on the ambient air in particular</li> <li>➤ Less operation &amp; maintenance cost &amp; higher battery life.</li> <li>➤ Improved coke quality.</li> </ul>
Parameters	7 m Batteries	7m (Angara 7.1)																					
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Coke per push (dry)	24.03 T	28 T																					

Contd...

Sl. No.	Efforts made towards technology absorption	Benefits derived like product improvement, cost reduction, product development												
5.	<p>Development of Stamp Charged Coke Oven Battery.</p> <p>The coke cost makes up to 40%-50% of the crude steel production cost. Therefore availability, quality and price of the coal are key factors to reduce cost of production of steel. Utilization of low cost and low quality coal is the most favorable reason to adopt stamp charging technology.</p>	<p>With the drive of Government of India for self reliant under “Aatma Nirbhar Bharat”, your Company has started development of indigenous design of Stamp Charged Coke Battery with following parameters.</p>												
		<p><b>Design Module of Indigenous Stamp Charge Coke Oven Battery</b></p> <table border="1" data-bbox="810 633 1430 891"> <tr> <td>Length of Oven</td> <td>17300 mm</td> </tr> <tr> <td>Length between Door plugs</td> <td>16500 mm</td> </tr> <tr> <td>Height of Oven</td> <td>5500 mm</td> </tr> <tr> <td>Average Oven Width</td> <td>510 mm</td> </tr> <tr> <td>Oven to Oven Pitch</td> <td>1510 mm</td> </tr> <tr> <td>Coke Per Push (dry)</td> <td>28.7 T</td> </tr> </table> <p>It will not only reduce the cost of producing hot metal but also has flexibility to use indigenous coking coal, if commercially available in future.</p>	Length of Oven	17300 mm	Length between Door plugs	16500 mm	Height of Oven	5500 mm	Average Oven Width	510 mm	Oven to Oven Pitch	1510 mm	Coke Per Push (dry)	28.7 T
Length of Oven	17300 mm													
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Height of Oven	5500 mm													
Average Oven Width	510 mm													
Oven to Oven Pitch	1510 mm													
Coke Per Push (dry)	28.7 T													
6.	<p>Waste heat recovery system from sinter cooler off-gas in iron ore sintering process for generation of steam / power</p>	<p>In sintering process, sinter is cooled in straight line or circular sinter cooler (from 700-800 deg C to &lt;100 deg C) by forcing ambient air through sinter cooler bed by cooler fans. In the process of heat exchange, hot air coming out from cooler remains unutilized and gets dissipated in the atmosphere. Success of effective sinter cooler heat recovery is influenced by certain key consideration / critical aspects viz. present operating parameters of sinter plant, feed rate to sinter cooler, average sinter discharge temperature to cooler, actual thermal profiling of cooler off-gas under varied operating condition, location of cooler fans and air distribution across sinter cooler bed etc. These aspects have been critically analysed along with actual case study and suitable mathematical modeling has been developed with due considerations of above critical aspects to arrive at extent of cooler hood covering, number of tapping points to obtain desired air quantity at required temperature (&gt;300 deg C). This waste heat recovery system can be implemented in existing operating sinter plants and in new sinter plants as well.</p> <p><b>Benefits:</b></p> <p>Besides the regular benefits of waste heat recovery from sinter cooler hot off-gas for steam / power generation, other benefits are less emission of Green house gases to the atmosphere, no additional burning of fuel in steam generation, restriction of venting of hot air directly to atmosphere.</p>												

## II. Imported Technology

Sl. No.	Efforts made towards technology absorption	Benefits derived like product improvement, cost reduction, product development
1.	Coal gasification in iron & steel industry. Various rounds of discussions were made with your organisation to implement this technology in the steel sector. A committee was also formed to look the matter. It was decided in the meeting to tie up with suppliers after discussions with them to set-up the plant in various existing as well as new steel plants in India .	Coal gasification technology particularly for eastern part of India is very useful due to absence of natural gas and abundance of non-coking coal in the region. The product of coal gasification is synthesis gas which can be used in gas based DR plant for DRI making. This DRI technology not only improves quality of DRI compared to horizontal kiln technology but also reduces environmental pollution and has much bigger module compared to the kiln. The quality parameter like degree of metallization as well as percentage of carbon increases in DRI produced by gas based technology which is beneficial in steelmaking from power consumption point of view.

# CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY

## 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 forward 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 upto 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) Healthcare
  - ii) Sanitation (Swachh Bharat Abhiyan)
  - iii) Drinking Water
  - iv) Education
  - v) Skill Development & Livelihood
  - vi) Project for Divyangs
  - vii) Social Welfare
  - viii) Rural Development
  - ix) 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 last reconstituted CSR & Sustainability Committee which has in place as on 31.03.2021,

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	3	3
2	Shri Deepak Krishan	Part Time Independent Director – MECON		3
3	Shri Rajendra Harbhagwan Singh Juneja	Director (Finance) – MECON		3

## 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 : ₹ 216.51 Lakh

## 5. Details of CSR fund spent during the Financial Year 2020-21, are indicated in **Appendix-I**. Manner in which the amount spent are as given below:

- a) Total Unspent (Carry-over) amount available for FY 2020-21 : ₹ 216.51 Lakh
- b) Total amount spent on CSR activities during the financial year 2020-21 from the above Unspent (Carry-over) Fund : ₹ 34.97 Lakh
- c) Amount unspent {to be carried to next financial year (i.e. FY 2021-22)} : ₹ 181.54 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 2020-21 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. [Sl. No. A3 (i) of List of New Projects for 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 [Sl. No.3 (i) of List of Carry-over Projects for FY 2020-21]:  
Boring work was carried out in February'2020, however, it failed due to non-availability of underground water at the proposed location. Other suitable Borewell locations (where availability of water would be high) are being surveyed.
  - iv) Solar powered Drinking water system in Adopted Village-Rai, Block-Khunti, Dist.-Khunti [Sl. No.3 (ii) of List of Carry-over Projects for FY 2020-21]:  
Boring work was carried out in February'2020. Civil foundation work & Structural work complete. Balance works are Pipe work, Installation of pump & Solar system etc.
  - v) Solar powered Drinking water system in Adopted Village-Rupru, Block-Angara, Dist.-Ranchi [Sl. No.3 (iii) of List of Carry-over Projects for FY 2020-21]:  
Boring work was carried out in January'2021, however, it failed due to non-availability of underground water at the proposed location. Other suitable Borewell locations (where availability of water would be high) are being surveyed.
  - 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) [Sl. No. 6 (ii) of List of Carry-over Projects for FY 2020-21].  
Work Order placed in February'2021.
  - vii) Renovation of Printing Section Building of Cheshire Homes India, Ranchi (A Home for Physically challenged Persons - Divyangs) [Sl. No. 6 (iii) of List of Carry-over Projects for FY 2020-21].  
Work Order placed in February'2021.
  - viii) Construction of Boys Hostel Building in Orphanage at Village-Sungi, Khunti [Sl. No.7 (i) of List of Carry-over Projects for FY 2020-21]:  
Hostel Building complete. The Contractor is yet to submit RA Bill. Balance work is installation of Entrance Gate.
  - ix) Construction of Borewell at Old Age Home, Nagri, Ranchi [Sl. No.7 (ii) of List of Carry-over Projects for FY 2020-21]:  
Work complete. Bill is under processing for release of payment.
  - x) Construction of Community Centre in U.P. [Sl. No. 7 (iii) of List of Carry-over Projects for FY 2020-21]:  
Regular reminders were sent to M/s HSCL {A subsidiary of NBCC (India) Ltd.} to complete the balance work of above project and submit their bills in line with GST alongwith anti-profiteering declaration, 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 [Sl. No. 8 (i) of List of Carry-over Projects for FY 2020-21]
  - b) Construction of Toilet Complex in Adopted Village-Pancha [Sl. No. 8 (ii) of List of Carry-over Projects for FY 2020-21]
  - c) Construction of Toilet Block for Girls in Orphanage of Adopted Village-Sungi [Sl. No. 8 (iii) of List of Carry-over Projects for FY 2020-21]
  - d) Construction of Toilet Block for Boys in Orphanage of Adopted Village-Sungi [Sl. No. 8 (iv) of List of Carry-over Projects for FY 2020-21]
- xii) Construction of Toilet Complex in Adopted Village-Parsa Toli, Pancha [Sl. No. 8 (v) of List of Carry-over Projects for FY 2020-21]
- Work under progress.
- xiii) Construction of 1 no. of Class room in Rural area of U.P. [Sl. No. 8 (vi) of List of Carry-over Projects for FY 2020-21]
- Regular reminders were sent to M/s HSCL {A subsidiary of NBCC (India) Ltd.} to complete the balance work of above project and submit their bills in line with GST alongwith anti-profiteering declaration, but they are yet to submit the same.
- xiv) Construction of Toilet Complex in adopted Village - Bar Toli, Pancha, Block-Bundu, Dist.-Ranchi [Sl. No. 8 (vii) of List of Carry-over Projects for FY 2020-21]
- Roof casting was done in March'2020. The supporting documents are awaited from Contractor for processing of the 1<sup>st</sup> RA bill.

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

Sd/-

Rajendra Harbhagwan Singh Juneja

Director (Finance)

Sd/-

Smt. Manju Chandra

Chairperson (CSR Committee)

# Manner (Details of the Project) in which the amount spent during the financial year 2020-21 (Period 1<sup>st</sup> April'2020 – 31<sup>st</sup> March'2021)

From the Unspent (Carry-over) Fund of FY 2019-20

(As on: 31.03.2021)

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 2020-21 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	<ul style="list-style-type: none"> <li>At Vill-Pancha, Block-Bundu; Vill-Rupru, Block-Angara; Vill-Pandutoli, Block-Nagri &amp; Township School in Ranchi District (Jharkhand)</li> <li>At Vill-Rai, Panchayat-Fudi &amp; Vill-Sungi, Block-Karra in Khunti District (Jharkhand)</li> </ul>	3,00,000	56,672	56,672	Direct	1. Regular On-going Project a) Physical progress – 100% b) Financial progress – NIL 2. No. of Health Camps : 10 No. of Patients : 580 3. Due to COVID-19 Pandemic only 10 nos. Health Camps could be carried out during the month of Feb. & Mar. '2021.
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	87,105	1,210	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.

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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 2020-21 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)	Sanitization of MECON H.O. Office premises, Purchase of cleaning materials, Providing incentive to Cleaning Staff during Lockdown period, Purchase of PPE Kits, etc. (COVID-19 related expenses)	Healthcare	<ul style="list-style-type: none"> <li>MECON Head Office Premises, Ranchi (Jharkhand)</li> </ul>	1,70,000	1,70,000	1,70,000	Direct	Work complete. a) Physical Progress – 100% b) Financial Progress – 100%
iv)	Sanitization & Cleaning activities of Ispat Hospital (MECON's Township Hospital), Shyamali Colony, Ranchi (COVID-19 related expenses)	Healthcare	<ul style="list-style-type: none"> <li>Ispat Hospital Premises, Shyamali Township, Ranchi</li> </ul>	1,50,000	1,50,000	1,50,000	Direct	Work complete. a) Physical Progress – 100% b) Financial Progress – 100%
			<b>Sub-Total (1)</b>	<b>7,07,105</b>	<b>3,77,882</b>	<b>3,90,777</b>		
<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) : ₹ 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	Work complete. a) Physical progress – 100% b) Financial progress – 98.31% c) Performance Certificate awaited from Contractor.

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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 2020-21 Sub-heads : 1. Direct expenditure on projects or programmes 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency*	
ii)	Annual Maintenance of 22 nos. Bio-Toilets installed in MHRD Schools – Purchase of Bio-Media Kit (Under Swachh Vidyalaya Abhiyan) (Carry-over Project of FY 2019-20)	Sanitation	<ul style="list-style-type: none"> <li>In Villages – Shantinagar, (Vill –Gaira), Kanchanpur, Deokuli, Darha &amp; Dumar in Hazaribagh District (Jharkhand)</li> <li>In Villages – Kundo, Nawatoli (Vill – Kaspur), Bhauru, Pandaria, Makunda &amp; Chatti in Lohardaga District (Jharkhand)</li> </ul>	74,000	62,700	62,700	Direct	Work complete. a) Physical Progress – 100% b) Financial Progress – 100%
			<b>Sub-Total (2)</b>	<b>1,70,620</b>	<b>62,700</b>	<b>56,99,080</b>		
<b>3.</b>	<b>Drinking Water</b>							
i)	Construction of Solar based Drinking Water System in Adopted Village (Project Cost : ₹ 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. Other suitable Boring locations (where availability of water would be high) have been identified and the same has to be confirmed by Vertical Electrical Sounding.

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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 2020-21 Sub-heads : 1. Direct expenditure on projects or programmes 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency*	
ii)	Construction of Solar based Drinking Water System in Adopted Village (Project Cost : ₹ 7,06,845/-) (Approved project of FY 2018-19)	Drinking Water	Village – Rai, Panchayat – Fudi, 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, Civil foundation and Structural work complete.  Balance work : Solar Panel, Submersible Pump, Piping, etc.
iii)	Construction of Solar based Drinking Water System in Adopted Village (Project Cost : ₹ 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. Other suitable Boring locations (where availability of water would be high) have been identified and the same has to be confirmed by Vertical Electrical Sounding.
			<b>Sub-Total (3)</b>	<b>19,30,880</b>	--	--		

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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 2020-21 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>4.</b>	<b>Education</b>							
i)	Free Literacy programme for the under privileged children at 7 Community Education Centres	Education	Vill.-Pokhar Toli, Irgoo Toli (2 nos.), Argora, Ravidas Mohalla, Bharam Toli in proper & near Ranchi & Vill. – Rai of Khunti district of Jharkhand	2,52,000	2,31,000	2,31,000	Direct	Regular on-going project a) Physical progress – 100% b) Financial progress – 100% c) No. of Children : 152
	• Honorarium to Teachers				21,000	21,000		
	• Adjustment of Honorarium ( Mar :2020)			40,000	28,620	28,620		Procurement carried out.
	• Study Materials, Stationery, etc. (for FY 2019-20)			40,000	--	--		Under Tendering process.
	• Study Materials, Stationery, etc. (for FY 2020-21)							
			<b>Sub-Total (4)</b>	<b>3,32,000</b>	<b>2,80,620</b>	<b>2,80,620</b>		
<b>5.</b>	<b>Skill Development &amp; Livelihood</b>							
i)	Free Stitching training for under privileged women at 7 stitching Centres • Honorarium to Teachers	Women Empowerment Scheme (Employment/ Livelihood Enhancing Vocational Skills)	Mani Tola, Doranda Mistri Mohalla, Hinoo, Argora, Kishoreganj, Jagannathpur in proper & near Ranchi, & Vill – Sungi of Khunti district of Jharkhand.	2,52,000	2,28,000	2,28,000	Direct	Regular on-going project a) Physical progress – 100% b) Financial progress – 100%
	• Adjustment of Honorarium ( Mar :2020)				21,000	21,000		

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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 2020-21 Sub-heads : 1. Direct expenditure on projects or programmes 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency*	
ii)	Annual Examination (for FY 2019-20)			1,25,000	36,450	36,450		No. of Students appeared in the Examination of FY 2019-20 : 36 Expenses towards arrangement of Annual Examination
	Registration Fee (with M/s Usha International Ltd.) (for FY 2019-20)				1,000	1,000		
iii)	Cloth, Stitching Materials, etc. (FY 2019-20)			45,000	45,435	45,435		Procurement carried out.
iv)	Cloth, Stitching Materials, etc. (FY 2020-21)			45,000	--	--		Under Tendering process.
v)	Annual Examination (FY 2020-21)			1,25,000	--	--		No. of Students undergoing Training in FY 2020-21 : 50 Planned to be carried out after COVID-19 Pandemic subsides
vi)	Providing New Stitching Machines			1,05,000	--	--		Tender Evaluation 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 (FY 2019-20) =2,07,000	Direct	<ul style="list-style-type: none"> <li>No. of Students : 06</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 8<sup>th</sup> April'2021.</li> <li>Classes are suspended again due to COVID-19</li> <li>Classes shall be resumed after COVID-19 subsides.</li> </ul>
			<b>Sub-Total (5)</b>	<b>9,04,000</b>	<b>3,31,885</b>	<b>5,38,885</b>		

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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 2020-21 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)	Providing Vehicle to Jharkhand Parents Association, Ranchi for facilitation of conveyance of Divyangs to "KOSHISH" - A Special School-cum-Vocational Training Centre (Approved Project of FY 2019-20)	Project for Divyang	Jharkhand Parents Association, Ranchi	4,44,000	4,43,885	4,43,885	Direct	Work complete.
ii)	Renovation of Roof and False Ceiling alongwith Illumination facilities of Dining Hall-cum-Candle Making Section of Cheshire Homes India, Ranchi (A Home for Physically challenged Persons - Divyangs) (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 could not be started due to COVID-19.
iii)	Renovation of Printing Section Building of Cheshire Homes India, Ranchi (A Home for Physically challenged Persons - Divyangs) (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 could not be started due to COVID-19.
			<b>Sub-Total (6)</b>	<b>32,59,294</b>	<b>4,43,885</b>	<b>4,43,885</b>		

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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 2020-21 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>7.</b>	<b>Social Welfare</b>							
i)	Construction of Boys Hostel in <b>Orphanage "Anmol Basera"</b> (Project cost: ₹ 34,96,160/-) (Approved Project of FY 2015-16)	Infrastructure Development Programme	Village – Sungi, Block – Karra, District – Khunti, State – Jharkhand	24,81,300	7,25,500	10,14,860 (in FY 19-20)+ 7,25,500 (in FY 20-21) <b>= 17,40,360</b>	Direct	Construction work completed. a) Physical Progress 95% b) Financial Progress 49.78% c) Balance work : Entrance Gate, etc. d) 3 <sup>rd</sup> RA Bill is yet to be submitted by the Contractor. e) Hostel Building inaugurated on 20.03.2021.
ii)	Construction of Borewell at Old Age Home (Project cost: ₹ 3,05,660/-) (Approved Project of FY 2017-18)	Drinking Water	Vihar Samaj Kalyan Sansthan, Vill – Kulgu, Block – Nagri, Dist – Ranchi (Jharkhand)	3,06,000	--	--	Direct	• Work Complete. • The Contractor has installed submersible Pump of 2 HP in place of 3 HP. • Purchase Section has indicated for deduction of Rs. 4,480/-.
iii)	Construction of Community Centre (Project cost: ₹ 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.-Kanpur 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>	M/s HSCL [A Subsidiary of NBCC (India) Ltd.]	Construction work under progress a) Work done upto Roof level. b) Physical progress – 61.79% c) Financial progress – 33.40% d) Anti-Profiteering document awaited from M/s HSCL e) Bills awaited from M/s HSCL. f) Several reminders were given to M/s HSCL to submit proper Anti-Profiteering documents. g) Balance work : Doors, Start's Railing, Plumbing, Sanitary, Plastering, Electrical, Painting, Septic tank, Soak Pit, Boundary wall, Gate, etc.
			<b>Sub-Total (7)</b>	<b>54,87,895</b>	<b>7,25,500</b>	<b>30,94,970</b>		

Contd...

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 2020-21 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>8.</b>	<b>Armed Forces Veterans, War Widows and their Dependents</b>							
i)	Contribution to Armed Forces Flag Day	Armed Forces Veterans	Delhi	4,68,000	4,68,000	4,68,000	Direct	Rs. 5.0 Lakhs was contributed to AFFDF. The distribution of Expenditure is as follows : Rs. 4.68 Lakhs from the Unspent (Carry-over) Fund of FY 2019-20 and Rs. 0.32 Lakhs from the Allocated Fund of Rs. 93.99 Lakhs
			<b>Sub-Total (8)</b>	<b>4,68,000</b>	<b>4,68,000</b>	<b>4,68,000</b>		
<b>9.</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)		--	--	Direct	Work Complete. a) LD amount withheld. b) Contractor has submitted the documents related to its claim on LD.
ii)	Construction of Toilet complexes (10-seater toilet)	Infrastructure Development Programme - Sanitation	Village - Pancha Block-Bundu, Dist-Ranchi (Jharkhand)	15,52,000	--	--	Direct	Work complete. a) LD amount withheld. b) Contractor has submitted the documents related to its claim on LD
iii)	Construction of 1 no. Toilet complex (5-seater toilet) for Girls at Orphanage Hostel (Anmol Basera)	Infrastructure Development Programme - Sanitation	Village - Sungi, Block - Karra Dist - Khunti, State - Jharkhand		--	--	Direct	Work complete. a) LD amount withheld. b) Contractor has submitted the documents related to its claim on LD

*Contd...*

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 2020-21 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 Orphanage Hostel (Anmol Basera)	Infrastructure Development Programme - Sanitation	Village - Sungi, Block - Karra Dist - Khunti, State - Jharkhand	31,38,000	--	--	Direct	Work complete. a) LD amount withheld. b) Contractor has submitted the documents related to its claim on LD
v)	Construction of Toilet Complex in Adopted Village (Project cost: ₹ 59,13,783/-) (Carry-over project of FY 2012-13)	Infrastructure Development Programme - Sanitation	Village- Parsa Toli, Pancha, Block- Bundu, Dist.- Ranchi	3,06,320	3,06,320	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) <b>= 30,82,720</b>	Direct	a) Physical progress - 74% b) Financial progress - 52.13% c) Balance work: Plumbing, Sanitary, Electrics, Finishing, Solar PV System, etc.
vi)	Construction of a Classroom at Madarsa Ahle Sunnat (Project cost: ₹ 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.	2,02,135	--	3,54,700 (in FY 13-14) + 2,03,840 (in FY 14-15) <b>= 5,58,540</b>	M/s HSCL [A Subsidiary of NBCC (India) Ltd.]	Some Electrical work, glass fitting, floor repair, painting of grill, window & building, etc is pending. a) Physical progress - 95% b) Financial progress - 73.43% c) Anti-Profitteering document awaited from M/s HSCL.

Contd...

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 2020-21 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: ₹ 20,66,830/-) (Approved Project of FY 2018-19)	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) 1 <sup>st</sup> RA Bill awaited from Contractor. e) Submission of EPF & ESI documents is pending from Contractor's side. f) Balance work: Plastering, Flooring, Plumbing, Borewell, Doors, Windows, Sanitary, Electric, Finishing, Solar PV System, etc.
			<b>Sub-Total (9)</b>	<b>69,58,965</b>	<b>3,06,320</b>	<b>36,41,260</b>		
<b>10.</b>	<b>Administrative/ Training Cost</b>							
i)	Tours & Travels, Taxi Fare, etc.			3,00,000	1,78,630	1,78,630	Direct	
			<b>Sub-Total (10)</b>	<b>3,00,000</b>	<b>1,78,630</b>	<b>1,78,630</b>		
<b>11.</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.			26,33,060	3,21,746	3,21,746	Direct	
			<b>Sub-Total (11)</b>	<b>26,33,060</b>	<b>3,21,746</b>	<b>3,21,746</b>		
			<b>Grand Total</b>	<b>2,31,51,819</b>	<b>34,97,168</b>			

ANNEXURE-II  
of  
APPENDIX - 2

## CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY

### BOARD'S REPORT FOR FINANCIAL YEAR COMMENCING ON OR AFTER 1<sup>ST</sup> DAY OF APRIL, 2020

1. Brief Outline of CSR Policy of MECON Limited : As per Item No.1 of ANNEXURE-I of APPENDIX - 2.
2. Composition of the CSR Committee : As per Item No.2 of ANNEXURE-I of APPENDIX - 2.
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	--	--	--
2	--	--	--
3	--	--	--
	TOTAL	--	--

6. Average net profit of the company as per section 135(5). : Rs. 4,699.29 Lakh
7. (a) Two percent of average net profit of the company as per section 135(5) : Rs. 93.99 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. 93.99 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
9,70,983/-	64,86,938/-*	30.04.2021	PM CARES Fund	16,93,818/-**	30.09.2021

**Note:**

**A.** The Break-up of Rs. 93.99 Lakhs is as follows : Rs. 9,70,983/- + Rs. 64,86,938/- + Rs. 16,93,818/- + Rs. 2,47,261/-.

**B.** An amount of Rs. 2,47,261/- has been provisioned for the bills of 'Other Than Ongoing Projects' which are under processing / provisioned for settlement in Finance Department. (This corresponds to Rs. 2,36,614/-, Rs. 7,551/- & Rs. 3,096/- of Sl. No. 1, 2a & 2b respectively of **Appendix- B**)

**C.\***

- i) **Rs. 64,86,938/-** is the Unspent amount related to 'Ongoing Projects' of FY 2020-21.
- ii) Besides the Unspent amount related to 'Ongoing Projects' as indicated above, the Unspent amount related to 'Other Than Ongoing Projects', 'Regular Projects' and Projects of previous years (Carry-over projects) planned for FY 2020-21 has also been transferred to Unspent CSR Account on 30.04.2021.
- iii) A total amount of **Rs. 2,63,82,520/-** related to Unspent amount of all the above type of Projects has been transferred in the above said account.

**D.\*\***

- i) **Rs. 16,93,818/-** is the Unspent amount related to 'Other Than Ongoing Projects' of FY 2020-21. (Rs. 1,70,205/-, Rs. 16,409/- & Rs. 7,204/- with respect to Sl. No. 1, 2a & 2b respectively of **Appendix- B**; and Rs. 15,00,000/- provisioned as Miscellaneous fund, which was not allocated to any Project.)
- ii) Besides above amount an additional amount of Rs. 1,67,958/- of 'Ongoing Projects' has also been transferred to 'PM CARES Fund' on 30.09.2021. (This corresponds to Rs. 12,096/-, Rs. 27,312/- & Rs. 1,28,550/- of Sl. No. 4, 5 & 8 respectively of **Appendix- A**; which are the Balance fund i.e. the difference amount of Fund provision & Actual Work Order value.
- iii) In addition, an amount of Rs. 6,84,000/- with respect to Sl. No. 6 of **Appendix- A** (i.e. Ongoing project) has been transferred to 'PM CARES Fund' on 30.09.2021. (This fund was considered for transfer as the Tender was recommended for cancellation.)
- iv) Besides the Unspent amount related to 'Other Than Ongoing Projects' & 'Ongoing Projects' as indicated above, the Unspent amount related to 'Regular Projects' and Projects of previous years (Carry-over projects) planned for FY 2020-21 has also been transferred to 'PM CARES Fund'.
- v) A total amount of **Rs. 37,97,926/-** transferred to 'PM CARES Fund' on 30.09.2021.

- (b) Details of CSR amount spent against **Ongoing projects** for : Rs. 2,33,062/-  
the financial year Details at **Appendix- A**
- (c) Details of CSR amount spent against **other than ongoing projects** for the financial year : Rs. 7,37,921/-  
Details at **Appendix- B**
- (d) Amount spent in Administrative Overheads : Nil
- (e) Amount spent in Impact Assessment, if applicable: : Nil
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) : Rs. 9,70,983/-

(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. 93,99,000/-
(ii)	Total amount spent for the Financial Year	Rs. 9,70,983/-
(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 : Not Applicable for the current Reporting Financial Year

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.	---	---	---	---	---	---	---
2.	---	---	---	---	---	---	---
3.	---	---	---	---	---	---	---
	TOTAL	---	---	---	---	---	---

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s) : Not Applicable

(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.	---	---	---	---	---	---	---	---
2.	---	---	---	---	---	---	---	---
3.	---	---	---	---	---	---	---	---
	TOTAL	---	---	---	---	---	---	---

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

**(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 the average net profit as per section 135(5) : Reasons are given below

- i) Expenses on 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. [Sl. No. 2 (i) of List of New Projects for FY 2020-21]

Out of the various items envisaged above for purchase to fight COVID-19 pandemic, procurement of Ventilator was under process; and other items were in the process of supply, however due to sudden surge of COVID-19 during March'2021, the activity could not be carried out.

- ii) Cataract surgery for poor/down-trodden/needy villagers of Adopted villages/other villages/under-developed/slum areas etc. of Ranchi & Khunti districts of Jharkhand. [Sl. No. 2 (ii) of List of New Projects for FY 2020-21].

Due to COVID-19 pandemic, the Project could not be taken up. Management Approval has been obtained in March'2021.

- iii) Providing Ambulance to NGO/Societies etc. of Ranchi/Khunti districts of Jharkhand [Sl. No. 2 (iv) of List of New Projects for FY 2020-21].

Under Tendering process.

- iv) Providing Digital Ante Natal Kit to Public Health Centres / ANMs in various Blocks of Ranchi district (Jharkhand) [Sl. No. 2 (v) of List of New Projects for FY 2020-21].

Purchase Order has been placed by the Office of Civil Surgeon-cum-Chief Medical Officer in March' 2021.

- v) Purchase of Bio-Media Kit/Bacteria for Annual Maintenance of Pre-fabricated Bio-Toilets installed in Lohardaga & Hazaribagh districts of Jharkhand [Sl. No. 3 (i) of List of New Projects for FY 2020-21].

Purchase Order has been placed in March' 2021.

- vi) Setting up Science Lab in Schools in Ranchi District [Sl. No. 4 (i) of List of New Projects for FY 2020-21].

Under Tendering process.

- vii) Vocational Training, Skill development etc. of Youths of Adopted villages / other villages etc. of Ranchi & Khunti districts of Jharkhand. [Sl. No. 5 (i) of List of New Projects for FY 2020-21].

Due to COVID-19 pandemic, as the Training Institutes were closed, the Project could not be taken up. Management Approval has been obtained in March'2021.

- viii) Providing Game items to Village teams of Adopted villages / Other villages of Ranchi/Khunti districts of Jharkhand etc.

Under Tendering process.

Sd/-

Rajendra Harbhagwan Singh Juneja

Director (Finance)

Sd/-

Smt. Manju Chandra

Chairperson (CSR Committee)

## MECON LIMITED

### 8 (b) Details of CSR amount spent against OnGoing projects for the financial year 2020-21

(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(6) (in Rs.)	(10) Mode of Implementation Direct (Yes/No)	(11) Mode of Implementation Through Implementing Agency	
				State	District						Name	CSR Registration Number
1	Expenses on 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	(i)	Yes	Jharkhand	Ranchi	Around 3½ months	21,50,000	2,33,062	19,16,938	Yes	--	--
2	Cataract surgery for poor/ down-trodden/ needy villager of Adopted village / other villages/ under-developed/ slum areas etc. of Ranchi & Khunti district of Jharkhand	(i)	No	Jharkhand	Khunti	Around 3½ months	3,00,000	Nil	3,00,000	Yes	--	--
3	Providing Ambulance to NGO/ Societies etc. of Ranchi/ Khunti districts of Jharkhand	(i)	Yes	Jharkhand	Ranchi	Around 3½ months	8,00,000	Nil	8,00,000	Yes	--	--

Contd...

(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(6) (in Rs.)	(10) Mode of Implementation Direct (Yes/No)	(11) Mode of Implementation Through Implementing Agency	
				State	District						Name	CSR Registration Number
4	Providing Digital Ante Natal Kit to Public Health Centres/ ANMs in various Blocks of Ranchi district (Jharkhand)	(i)	Yes	Jharkhand	Ranchi	Around 3½ months	8,70,000	Nil	8,70,000	Yes	--	--
5	Purchase of Bio-Media Kit / Bacteria for Annual Maintenance of Pre-fabricated Bio-Toilets installed in Lohardaga & Hazaribagh districts of Jharkhand.	(i)	No	Jharkhand	Lohardaga & Hazaribagh	Around 3½ months	1,00,000	Nil	1,00,000	Yes	--	--
6	Setting up Science Lab in Schools in Ranchi District	(ii)	Yes	Jharkhand	Ranchi	Around 3½ months	6,84,000	Nil	6,84,000	Yes	--	--
7	Vocational Training, Skill development etc. of Youths of Adopted villages / other villages etc. of Ranchi & Khunti districts of Jharkhand	(ii)	No	Jharkhand	Khunti	Around 3½ months	15,66,000	Nil	15,66,000	Yes	--	--
8	Providing Game items to Village teams of Adopted villages / Other villages of Ranchi/Khunti districts of Jharkhand etc.	(vii)	No	Jharkhand	Khunti	Around 3½ months	2,50,000	Nil	2,50,000	Yes	--	--
	<b>TOTAL</b>					<b>Total</b>	<b>67,20,000</b>	<b>2,33,062</b>	<b>64,86,938</b>			

Note: Project Duration of 'Around 3½ (Three & half) months' has been arrived on the basis of Date of Fund Availability (i.e. 14.12.2020)

## 8 (c) Details of CSR amount spent against Other than OnGoing projects for the financial year 2020-21

(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	Nutrition project for poor/down-trodden/ needy children of Adopted villages/ other villages/ under-developed/ slum / nearby etc. of Ranchi & Khunti districts of Jharkhand.	(i)	Local as well as Beyond Local	Jharkhand	Ranchi & Khunti	4,93,181	Yes	--	--
2	Providing Blankets / Warm clothes to the poor/ downtrodden/needy villagers								
	a) Under the program of Ranchi District Administration – “Ranchi Cares – Mission 1 Million Smiles”	(i)	Yes	Jharkhand	Ranchi	1,51,040	Yes	--	--
	b) Villagers of Adopted villages of Ranchi/Khunti districts of Jharkhand	(i)	No	Jharkhand	Khunti	61,700	Yes	--	--
3	Contribution to Armed Forces Flag Day Fund (AFFDF)	(iv)	No			32,000*	Yes	--	--
	<b>TOTAL</b>					<b>7,37,921</b>			

Note : \* Total amount of Rs. 5.00 Lakhs was contributed to AFFD fund. The distribution of expenditure is as follows : Rs. 32,000/- from the allocated fund of Rs. 93.99 Lakhs of FY 2020-21 and Rs. 4.68 Lakhs from Unspent (carry-over) Fund of FY 2019-20 (Refer **Appendix- I**)

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## 1.0 INTRODUCTION

MECON is continuing on its growth journey and has achieved its highest ever order booking worth more than ₹10,200 Crore despite global Covid-19 Pandemic crisis. With the upturn in business outlook in global steel market, MECON has been successful in improving order booking in its core business areas i.e. metals.

In order to hedge the risks due to cyclic swings in the metals business, the company, while strengthening its operations in non-core business areas e.g. Energy & Infrastructure has ventured into emerging areas of business-like Energy Efficiency & Resource Conservation solutions with strategic partner.

To continue on the path of profitability, the company is focusing on executing projects through EPC & Deposit Works mode in addition to its conventional portfolio of Design, Engineering Consultancy and Project Management services and has already taken initiatives to acquire new Clients & to nurture existing Clients while aptly addressing their varied project specific requirements.

Your Company is aiming to emerge as a premier Design, Engineering, Consultancy & EPC Contracting organization to drive indigenization efforts and give impetus to “Atmanirbhar Bharat” Abhiyan of Govt. of India.

## 2.0 SWOT ANALYSIS

### Strengths

1. Multi-disciplinary experienced and capable pool of engineers / technologists in various specialized technical disciplines.
2. Vast knowledge repository and reference materials, being a legacy design, engineering & consultancy organization.
3. Core competency in providing end to end solutions in the area of Metals & Mining with established market recognition.
4. Capability in equipment & system design and supply & execution in Ferrous area.
5. Prominent presence in gas pipelines project of GAIL (Long Distance Pipe Line & City Gas Distribution etc.)
6. In-house Environmental Engineering Laboratory. NABET/ QCI Accreditation for 16 sectors.
7. Relatively low average age of employee due to Induction of young professionals.
8. Good credentials with financial institutions and regulatory authorities.
9. Wide network of offices at various locations across the country.
10. MOU with global technology providers to provide end to end solution in the entire value chain of steel sector.

### Weaknesses

1. High incidence of employee benefit expense as compared to some of the competitors, especially in the private sector.
2. Depletion of critical knowledge / skills in certain areas on account of superannuation/separation of experienced manpower.
3. Skewed organization structure (Still under transition).
4. Inadequate experienced manpower for execution activities at project sites.
5. Consolidation of strength in diversified sectors may take some more time.
6. Very limited presence in the overseas market.
7. Public sector limitation in operational flexibility.

## Opportunity

1. Indigenous opportunity through Atmanirbhar Bharat Abhiyan of Govt. of India.
2. Anticipated future investments in mining, beneficiation, agglomeration/pelletisation, slurry transportation, coal washeries and coal gasification
3. Possible future investment in Steel sector in view of the National Mission of 300 Mt Crude Steel Capacity by 2030-31.
4. Large scale investments in other diversified sectors viz. oil & gas, infrastructure & strategic sectors and power transmission & distribution & renewable energy sector
5. 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 74% from earlier 49%), defence offset policy and through indigenisation in defence sector.
6. 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.
7. Opportunities from Govt. Flagship schemes such as, Deen Dayal Upadhaya Gram Jyoti Yojna (DDUGJY), Integrated Power Distribution System (IPDS), Jal Jeevan Mission, Bharat Net, Digital India, Production link incentive scheme (PLI) for specialty steel etc.

## Threats:

1. Mushrooming of consultancy companies operating at low margins.
2. 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.
3. Stringent technical pre-qualification criteria for consultancy as well as supply jobs
4. Decline in investment in the core area of Metals accentuated by COVID-19 impact but continued dependence on Metals sector
5. Uneven playing ground for public & private sectors
6. Today's consortium partners emerge as future Competitors
7. Risk/uncertainty in foreign strategic Tie-ups
8. Long approval process along with delays in infrastructure sector may impact the overall opportunity in the sector.
9. Delays in statutory clearances, land acquisition and R&R issues.

## 3.0 BUSINESS OUTLOOK

### Global Economic Scenario

COVID-19 has affected nearly all spheres of the global economy with the spread catalysed by the increasing interconnectedness of global value chains. The resulting crisis has constituted an intense shock, with a sharp decline in global trade, lower commodity prices, tighter external financing conditions and with varying implications for current account balances and currencies. The spread of the pandemic led to associated suspension of economic activities, supply-chain disruptions, travel restrictions and volatility in international commodity prices. As a result, there was a wave of downward revisions to global output growth and trade volume. The month of April 2020 became the month of “Global Lockdown” with world economic activity coming to a standstill – leading to a steep fall in output during second quarter of 2020. As per the estimate by IMF, the cumulative loss to global GDP over 2020 and 2021 is estimated at around USD 9 trillion – greater than the economies of Japan and Germany combined. The pandemic induced border closures and supply disruptions interrupted the international provision of goods and services. The Global composite Purchasing Managers Index (PMI) was in contraction for five month from March-20 to June-20. Global trade is projected to contract by 9.2 percent in 2020—comparable to the decline during the 2009 global recession but affecting a markedly larger share of economies. Trade has, however, played a critical role in responding to the pandemic, allowing countries to secure access to vital food and medical supplies. After an estimated contraction of –3.3 percent in 2020, the global economy is projected to grow at 6 percent in

2021, moderating to 4.4 percent in 2022. World Economic Outlook (WEO), reflecting the higher-than-expected growth outturns in the second half of the year for most regions after lockdowns were eased as economies adapted to new ways of working. The projections for 2021 and 2022 are 0.8 percentage point and 0.2 percentage point stronger than in the October 2020 WEO, reflecting additional fiscal support in a few large economies and the anticipated vaccine-powered recovery in the second half of the year. Global growth is expected to moderate to 3.3 percent over the medium term—reflecting projected damage to supply potential and forces that predate the pandemic, including aging-related slower labor force growth in advanced economies and some emerging market economies. However, emerging market economies and low-income developing countries have been hit harder and are expected to suffer more significant medium-term losses.

In sum, the global economy is still reeling under the impact of the unprecedented COVID-19 shock. Future developments will depend on the path of the health crisis, including whether the new COVID-19 strains prove susceptible to vaccines or they prolong the pandemic; the effectiveness of policy actions to limit persistent economic damage; the evolution of financial conditions and commodity prices; and the adjustment capacity of the economy.

### Indian Economic Scenario:

The Indian economy, after subdued growth in 2019, had begun to regain momentum from January 2020 onwards, only to be stalled by the once-in-a-century black swan COVID-19 outbreak. The economy witnessed a sharp contraction of 23.9 per cent in Q1: FY 2020-21 and 7.5 per cent in Q2: FY 2020-21 due to the stringent lockdown imposed during March-April, 2020. Since then, several high frequency indicators have demonstrated a V-shaped recovery. The fundamentals of the economy remain strong as gradual scaling back of lockdowns along with the astute support of Atmanirbhar Bharat Mission have placed the economy firmly on the path of revival. There has been rapid recovery in India's economic activity from the COVID-19 pandemic induced unprecedented lows of the first quarter of FY 2020-21 on the back of extraordinary fiscal and monetary support provided by the Government and RBI. Overall movement of high frequency indicators over Q1, Q2 and Q3 indicated speedy pickup in Q2 and growing convergence to pre-pandemic levels in Q3. NSO has estimated a contraction of real GDP by 7.3 per cent in 2020-21 as compared to a growth of 4.0 per cent in 2019-20 which reflects the 'once in a century crisis' unleashed by the pandemic and associated public health measures.

As India's mobility and pandemic trends aligned and improved concomitantly, indicators like E-way bills, rail freight, GST collections and power consumption not only reached pre-pandemic levels but also surpassed previous year levels. The year also saw manufacturing sector's resilience, rural demand cushioning overall economic activity and structural consumption shifts in booming digital transactions. The full impact of the pandemic on the Indian economy is still unraveling and the future growth prospects would critically depend on sustenance of momentum of this recovery. A palpable V-shaped recovery in industrial production was observed over the year. Manufacturing rebounded and industrial value started to normalize. The index of eight core industries, which make up around 40 per cent of the INIP, registered a growth of (-) 2.6 per cent in November, 2020 as compared to a growth of 0.7 per cent in November, 2019 and (-) 0.9 per cent in October, 2020. Consequently, INIP, after registering positive growth in October 2020 slipped back into contractionary zone in November, 2020. PMI Manufacturing, however, continued to remain in expansionary zone in December 2020. Revival of steel consumption reinforced acceleration in construction sector, propping up employment as economy unlocked. The housing market, a key forward linkage sector for steel consumption, saw gradual resurgence from its Q1: 2020-21 troughs. Electricity sector retained its momentum with power consumption registering positive YoY growth since September, 2020.

The external sector provided an effective cushion to India during these uncertain times. Amid domestic and global demand and supply disruptions, India's merchandise exports fell by 21.1 per cent in the first half of 2020-21 with the contraction being more severe for imports at 38.8 per cent. Exports, however, revived gradually as the rate of contraction eased to 5.0 per cent in Q3:2020-21, with non-oil exports increasing by 2.3 per cent during the quarter. With the gradual unlocking of the economy, the decline in imports has also moderated to 8.3 per cent during Q3: 2020-21. While trade deficit narrowed to US\$ 26.2 billion in April-September 2020-21 from US\$ 88.9 billion a year ago, it stood at US\$ 31.2 billion during the third quarter of the year, lower than US\$ 37.0 billion in the same quarter last year. Taking merchandise and services together, the overall trade deficit for April-March 2020-21 is estimated at \$12.74 Billion as compared to the deficit of \$77.76 Billion in April-March 2019-20. India recorded a current account surplus of 3.1 per cent of GDP in the first half of the year largely supported by strong services exports.

Amidst the forgoing external scenario, your Company has managed to secure significant orders in F.Y 2020-21 as Rs.10,239.29 Crores vis-à-vis Rs.4,929.87 Crores previous year.

#### 4.0. 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.

#### 5.0 DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the Financial Year 2020-21, MECON LIMITED achieved Turnover of ₹71,800.45 lakhs. Turnover from Consultancy Jobs is ₹29,186.81 lakh, mainly from execution of consultancy order for GAIL, NMDC, different Steel Plants of SAIL, etc. Turnover from Consultancy Jobs constituted 40.65% of the total turnover, turnover from Turnkey Projects constituted 25.42% of total turnover and turnover from Procurement Services constituted 33.93% of total turnover. Total turnover has increased by 27.95% over the previous year.

During the year 2020-21, the Company has made Profit After Tax of ₹624.37 lakh compared to Profit After Tax of ₹6,900.43 lakh of the previous year.

During the Financial Year 2020-21, the company has earned interest of ₹2,505.71 lakh through term deposits with scheduled banks.

The Net Worth of the company has decreased by ₹1,543.06 lakh compared to previous year and stands at Rs. 41,805.55 lakh.

The highlights of financial performance of the company for the financial year 2020-21 w.r.t. 2019-20 are mentioned below.

Sl. No.	Particulars	FY 2020-21	FY 2019-20
a)	Turnover	71,800.45	56,117.26
b)	Revenue from Operations	75,212.37	64,751.47
c)	Total Income	79,657.18	69,586.19
d)	Purchase of Equipments & Direct Expenses	35,466.83	17,001.94
e)	Employee Benefit Expenses	32,245.89	30,228.81
f)	Other Expenses	7,910.29	11,842.56
g)	Profit / (Loss) Before Tax	1,910.85	8,703.40
h)	Profit / (Loss) After Tax	624.37	6,900.43
i)	Total Comprehensive Income	(-)547.95	5,778.19
j)	Property Plant & Equipments	6,613.17	6,740.22
k)	Capital Work In Progress	66.77	120.62
l)	Intangible Assets	51.42	98.18
m)	<b>Financial Assets (Current and Non-Current)</b>		
n)	Investment	11.92	11.92
	Trade Receivables	49,211.98	46,307.99
	Loans	1,270.33	1,087.11
	Cash and Bank Balance	63,164.61	41,301.36
	Other Financial Assets (Excluding Bank Balance)	5,335.54	6,910.57
	Other Assets (Current and Non-Current)	19,650.97	29,563.83
o)	<b>Financial Liabilities (Current and Non-Current)</b>		
p)	Trade Payables	19,587.66	16,795.44
	Other Financial Liabilities (Current and Non-Current)	37,810.28	33,195.56
	Other Liabilities (Current and Non-Current)	16,761.95	7,664.10
q)	Net Worth	41,805.55	43,348.61
r)	Share Capital	4,013.84	4,013.84
s)	Capital Employed	28,668.42	30,939.67

## 6.0 HUMAN RESOURCE 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 your Company, developing and sustaining a competent and highly responsive workforce with adequate domain expertise, by constantly upgrading their knowledge and skills has always been Management's topmost priority. Focus is laid on acquiring new skills and sharpening existing ones, which leads to better performance, increases productivity and evolves our employees as better leaders.

Due to the pandemic, it has been difficult to follow business as usual with the need for social distance, impact of lockdown on working conditions and austerity measures. Despite the hurdles, focus has been laid to encourage a culture of continual development amongst employees. Apart from conducting regular trainings on technical, skill related and soft skill, based on Training Need Analysis and Organizational Requirement, more 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, Management has also achieved 825 Man days of training and development (Technology – 274 Mandays, Skill related – 254 Man days and Soft Skill – 297 Man days) as against the target of 534 Man days fixed for this financial year.

To facilitate holistic development and increase productivity, employee awareness program such as Preventive Vigilance, Orientation Training, Health Awareness Programs, Retirement Planning, etc., were also organized on regular basis

## 7.0 TECHNOLOGICAL UP-GRADATION

Through its 6 (six) decades of experience in the development and expansion of Integrated Steel Plants, Oil & Gas, Infrastructure, Strategic as well as other business area, your Company has been able to build a strong technological base and has acquired, absorbed & innovated state-of-the-art technologies to suit various requirement. Technological & Engineering excellence achieved through above process is up-graded on continuous basis during execution of various projects in association with global industry leaders. License agreements and general collaboration / cooperation agreements with organizations sharing common business interests is providing an impetus for the Company to strengthen its business verticals by carving out market share. Such initiatives are complementing knowledge acquisition / up-gradation in addition to building-up-database for focused business areas with the aim to bridge the identified technology gaps. Measures adopted to work towards technology self-reliance include:

- ◆ Exposure to Global Technologies, Benchmarks & Trends.
- ◆ Maximization of indigenization through creation of special design cell to support government's "Make in India" & "Atmanirbhar Bharat" campaign.
- ◆ Indigenously developed, installed and commissioned Integrated Testing Facility for testing of Semi Cryogenic engines for ISRO
- ◆ Technology development efforts for stamp charge coke oven technology.
- ◆ Exploring global partners for assimilation of domain knowledge in new/potential business areas.
- ◆ Re-aligning internal resources to cater to new areas.
- ◆ Engagement of domain experts to complement in-house expertise
- ◆ In-house Research & Development.
- ◆ Need based training-both in-house & outside and participation in seminars/technology workshops/ trade fairs.
- ◆ Use of modern tools for analysis, design, modeling & drafting.
- ◆ Cost effective operations achieved through higher reliance on state-of the art software tools.

## 8.0 CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY DEVELOPMENT (CSR & SD)

As per Section-135 of the Companies Act, 2013, Average Net Profit of your Company for the preceding three financial years (i.e. FYs 2017-18, 2018-19 & 2019-20) was Rs. 4,699.29 Lakh. Thus, as per the Act, 2% of Average Net Profit i.e. Rs. 93.99 Lakh was allocated as CSR Fund for FY 2020-21.

Your Company has taken a forward step in line with DPE's common theme – 'Health & Nutrition' 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 of District Administration, Ranchi, a CSR project – "Providing Digital 'Ante Natal Kit' to Public Health Centres / ANMs (Auxiliary Nurse & Midwives) in various Blocks of Ranchi district (Jharkhand)", was selected for execution.

Further, your Company has provided Blankets to District Administration, Ranchi for their initiative - "Ranchi Cares: Mission 1 Million Smiles", for its distribution to the poor and needy people of Ranchi.

Under COVID related campaign, your Company has conducted Awareness programme and has distributed Masks & Soaps in Adopted Villages of Ranchi & Khunti districts.

The various projects/activities undertaken under its CSR & Sustainability Policy during FY 2020-21 from the total available CSR fund of Rs. 310.50 Lakh {Rs. 216.51 Lakh Unspent (Carry-over) fund + Rs. 93.99 Lakh of allocated fund for FY 2020-21} are given in **Annexure- I & II of Appendix-2 of the Director's Report**.

Keeping pace with the Govt. of India's Mission of Swachh Bharat, the Company has carried out 'Awareness programme & Cleanliness drive' in Adopted Village under "Swachhta Pakhwada" Campaign.

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 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.

# CORPORATE GOVERNANCE

## 1.0 COMPANY'S PHILOSOPHY

The Company's Corporate Governance practice 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. The said practice of Corporate Governance stem from its professionalism. Your Company lays emphasis on the proper conduct of its activities and enhance the value of all those who are associated with the Company viz. Shareholders, Customers, Vendors, Government of India, Ministry of Steel, Department of Public Enterprises, various State Governments, other Government Agencies/ Departments and the society at large.

## 2.0 BOARD OF DIRECTORS

Your Company being a Central PSU, appointment / nomination of all Directors is done by the President of India through the Ministry of Steel. The Chairman and Managing Director and Functional Directors are appointed by the Government of India, Ministry of Steel for a period of five years or till the age of superannuation or until further orders whichever is earlier. Part-time Independent Directors are normally appointed for a tenure of three years. Articles of Association of the Company stipulate that the number of Directors shall not be less than five and not more than thirteen. The composition of the Board is as per DPE Guidelines on Corporate Governance.

### Composition of Board of Directors

Sl.	Particulars of Directors	Sanctioned Strength	Actual position as on 31/03/2021
i.	Functional Directors including CMD (WTD)	5	5
ii.	Part-time Government Directors	2	2
iii.	Part-time Independent Directors	3	2
	Total	10	9

### 2.1 Terms & Conditions of appointment of Board Member:

The terms, conditions and tenure of appointment of all Board Members are decided by the Government of India, Ministry of Steel.

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

The Chairman and Managing Director and Whole-time Directors are paid monthly remuneration as fixed by the Government of India. The Company bears all the expenditure of Directors for attending the meetings. Part-time Government Directors are not paid any remuneration. The Part-time Independent Directors were paid sitting fees of ₹15,000/- for attending each Board Meeting and ₹10,000/- for attending each Board level Committee meeting during the FY 2020-2021. The details of sitting fees paid to the Part-time Independent Director during F.Y 2020-21 are as follows.

Name of Director (Shri/ Smt.)	Sitting Fees (₹)		Total (₹)
	Board Meetings	Committee Meetings	
Deepak Krishan	1,05,000/-	80,000/-	1,85,000/-
Manju Chandra	1,05,000/-	80,000/-	1,85,000/-

### 2.3 Board Meetings:

The Board meets statutorily and also as many times as may be warranted. The Board Meetings are convened as per the Companies Act, 2013 by giving appropriate advance notice after seeking approval of the Chairman of the Board. Detailed agenda notes are circulated in advance as per the Companies Act, 2013 to the Board Members for facilitating meaningful, informed and focused decision at the meeting. In case of special and exceptional circumstances additional agenda item(s) is / are also permitted with the consent of Chairman of the Board. The Company Secretary acts as the Secretary to the Board and Board level Committee Meetings.

## 2.4 Number of Board Meetings:

During the year 2020-21, Seven (7) Meetings were held, the details of which are given below:

Sl.	Date of Meeting	Board Strength	Number of Directors Present
1	08.07.2020	9	8
2	26.08.2020	9	9
3	30.09.2020	9	9
4	04.12.2020	9	9
5	13.01.2021	9	8
6	16.02.2021	9	9
7	19.03.2021	9	9

Particulars of Directors including their attendance at the Board Meetings from 1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021.

Name of Directors & Designation (Shri / Smt.)	Number of Meetings held	Number of Meetings attended
<b>I. Whole time Directors</b>		
Atul Bhatt , CMD	Seven	Seven
Salil Kumar, Director (Projects)	Seven	Seven
R.H. Juneja, Director (Finance)	Seven	Seven
S. K. Verma, Director (Commercial)	Seven	Six
A.K. Agrawal, Director (Technical) (w.e.f. 01.06.2020)	Seven	Seven
<b>II. Part-time Government Directors</b>		
Rasika Chaube	Seven	Seven
Vijoy Kumar Singh (upto 17.12.2020)	Four	Three
Shashank Priya (w.e.f. 17.12.2020)	Three	Three
<b>III. Part-time Independent Director</b>		
Deepak Krishan	Seven	Seven
Manju Chandra	Seven	Seven

## 3.0 BOARD COMMITTEES

### 3.1 Audit Committee

The latest reconstituted Audit Committee in place consists of two Part-time Independent Directors and one whole-time Director. The role and powers of the Audit Committee is as per Section 177 of the Companies Act, 2013 as well as the Guidelines on Corporate Governance issued by the Department of Public Enterprises. The Chairman of the Audit Committee is a Part time Independent Director. The present Audit Committee in place as on 31.03.2021 comprises of the following Directors.

Sl.	Name of Directors (Shri./Smt.)	Status in Committee
1	Deepak Krishan, Independent Director	Chairman
2	Manju Chandra, Independent Director	Member
3	R.H. Juneja, Director (Finance)	Member
	Ravi Bambha, Company Secretary	Secretary

### Number of Audit Committee Meetings

During the year under review, Four (4) Meetings were held, the details of which are given below:

Sl.	Date of Meeting	Member's Strength	No. of Members Present
1	30.09.2020	Three	Three
2	13.01.2021	Three	Three
3	16.02.2021	Three	Three
4	19.03.2021	Three	Three

Particulars of Directors including their attendance at the Audit Committee Meetings from 1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021.

Name of Directors	Period	Number of Meetings held	Number of Meetings attended
Shri Deepak Krishan, Independent Director, Chairman	01.04.2020 to 31.03.2021	Four	Four
Smt. Manju Chandra, Independent Director & Member	01.04.2020 to 31.03.2021	Four	Four
Shri R.H.Juneja, Director (Finance) & Member	01.04.2020 to 31.03.2021	Four	Four

### 3.2 Nomination and Remuneration Committee

The latest reconstituted Nomination and Remuneration Committee is in compliance of Section 178 of the Companies Act, 2013 as well as the Guidelines on Corporate Governance issued by the Department of Public Enterprises. The Nomination and Remuneration Committee during FY 2020-21 comprised of the following Directors. The Nomination and Remuneration Committee has been constituted to carry out the matters referred under Section 178 of the Companies Act, 2013. During the year under review, there were no such agenda which had any reference to the matters spelt out under Section 178 and accordingly no meetings were carried out.

Sl. No	Name of Directors (Shri/ Smt.)	Status in Committee
1	Deepak Krishan, Independent Director.	Chairman
2	Rasika Chaube, Government Director	Member
3	Atul Bhatt, Chairman and Managing Director	Member
4	Manju Chandra, Independent Director	Member
	Ravi Bambha, Company Secretary	Secretary

### 3.3 Corporate Social Responsibility (CSR) and Sustainability Committee

In compliance of the provisions of Section 135 of the Companies Act, 2013 read with Guidelines on Corporate Social Responsibility and Sustainability issued by the Department of Public Enterprises, a Board level CSR & Sustainability Committee was constituted. The role and functions of the CSR & Sustainability Committee is as per Companies (Corporate Social Responsibility Policy) Rules 2014 as amended from time to time.

The CSR & Sustainability Committee in place as on 31.03.2021 comprises of the following Directors.

Sl. No.	Name of Directors (Smt./Shri)	Status in Committee
1	Manju Chandra, Independent Director	Chairperson
2	Deepak Krishan, Independent Director	Member
3	R.H. Juneja, Director (Finance)	Member
	Ravi Bambha, Company Secretary	Secretary

#### Number of CSR & Sustainability Committee Meetings:

During the year under review, Three (3) Meeting were held, the details of which are given below:

Sl. No	Date of Meeting	Member's Strength	No. of Members Present
1	13.01.2021	Three	Three
2	16.02.2021	Three	Three
3	19.03.2021	Three	Three

Particulars of Directors including their attendance at the CSR & Sustainability Committee Meetings from 1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021.

Name of Directors	Period	Number of Meetings held	Number of Meetings attended
Smt. Manju Chandra, Independent Director & Chairperson	01.04.2020 to 31.03.2021	Three	Three
Shri. Deepak Krishan, Independent Director & Member	01.04.2020 to 31.03.2021	Three	Three
Shri. R.H.Juneja, Director (Finance) & Member	01.04.2020 to 31.03.2021	Three	Three

### 3.4 Part- time Independent Directors Meeting

In compliance with the requirement of para VII of Schedule IV to the Companies Act, 2013, a Separate Meeting of Part- time Independent Directors has been carried out without the presence of any management representative to access the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

During the FY 2020-21, one (1) meeting of the Independent Directors was carried out on 16.02.2021 which was attended by following Part- time Independent Directors of the Company.

Sl. No.	Name of Part- time Independent Directors (Smt./Shri)	Status in Committee
1	Manju Chandra, Independent Director	Chairperson
2	Deepak Krishan, Independent Director	Member

### 4.0 ANNUAL GENERAL MEETING

The details of the last three Annual General Meeting of the company are as follows:-

Year	Date	Time	Venue
2017-18	20 <sup>th</sup> Sept., 2018	2.30 P.M	OU DH Conference Hall, Hotel Ashok, Chanakyapuri, New Delhi.
2018-19	30 <sup>th</sup> Sept., 2019	2.10 P.M	OU DH Conference Hall, Hotel Ashok, Chanakyapuri, New Delhi.
2019-20	4 <sup>th</sup> Dec., 2020	03.00 PM	CMD Conference Room, 1st Floor, MECON Limited, Doranda, Ranchi- 834 002

### 5.0 DISCLOSURES:

#### 5.1 Related party transactions

There are no 'materially significant related party transactions' that may have a potential conflict with the interest of Company at large. The details of Related Party Disclosure as per Ind. AS-24 is disclosed under **Note 42.10** of the Financial Statement.

#### 5.2 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.**

#### 5.3 Compliance Certificate

A certificate on compliance of applicable laws is placed before the Audit Committee and Board on quarterly basis.

#### 5.4 Code of Conduct

The Board of Directors has laid down Code of Business Conduct and Ethics for the Board Members and Senior Management of the Company. The Code is displayed on the website of the Company. All Board Members and Senior Management officials of the company have affirmed their compliance with the code.

## **6.0 MEANS OF COMMUNICATION**

Annual Report containing Chairman's Speech, Directors' Report, Management Discussion and Analysis Report, Corporate Governance Report, Auditor's Report, Audited Accounts and other important information are made available on the website of the Company.

## **7.0 TRAINING OF BOARD MEMBERS**

Directors are being nominated, as and when required for the training programme organized by DPE, SCOPE etc.

## **8.0 WHISTLE BLOWER POLICY**

The Company has 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. It is also affirmed that no employee has been denied access to the Audit Committee.

# 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 31<sup>st</sup> March 2021, 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 31<sup>st</sup> March, 2021, the Profit, Total Comprehensive Income, Changes in Equity and its Cash Flows 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. 42.24 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 31<sup>st</sup> March, 2021 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
1.	<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, Board's Report including annexure to Boards 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 are 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 skepticism 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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A" 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.

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

Sd/-  
CA. Arpit Jain  
(Partner)  
M.No. 417169  
UDIN:21417169AAAAIX7935

Place: Ranchi  
Date: 27.08.2021

## **“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 fixed assets:**

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets except in respect of some cases wherein the fixed assets register and records are in the process of updation.
- b) The fixed assets 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.
- c) The title deeds of the Immovable Properties are held in the name of the Company as certified by the management except Deed of conveyance of Land at Ranchi, measuring 10.25 acres, valued for ₹ 2.69 lakhs, which is pending since long for execution by the Government of Jharkhand. The office building at Scope Minar, Delhi has been acquired on contribution basis without ownership title deed.

### **(ii) In respect of physical verification of Inventory:**

- a) The inventories have been physically verified by the management during the year.
  - b) 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.
  - c) In our opinion and according to the information and explanations given to us, the company has maintained proper records of its inventory. No material discrepancies have been noticed on verification between the physical stocks and the book records.
- (iii) In our opinion and according to the information and explanations given to us, the company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained 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:
- a) 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.
  - b) According to the information and explanations given to us, 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, 2021.
  - c) According to the information and explanations given to us, there are disputed statutory dues, which have not been deposited as at 31st March 2021, as given herein below:

Name of the Statute	Period to which relates	Forum	Amount (₹ 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	0.016
	1997-1998	Commissioner of Sales Tax, Cuttack	46.51
	2013-2014	Jt. Commissioner (Appeal), Durg	0.31
2014-2015	Sales Tax Appellate Tribunal, Raipur	14.77	
2015-2016	Appellate Additional Commissioner, Raipur	5.40	
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 ₹781.60 lakhs consisting of ₹497.89 lakhs has 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 ₹499.07 Lakhs towards the statutory disputed cases, out of which ₹241.10 Lakhs pertain to the statutory disputed cases listed above. The Balance ₹257.97 Lakhs relates to disputed cases which have been set aside by the authorities.

- viii) 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.
- ix) According to the information and explanations given by the management and the audit procedures performed, the company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loan during the year.
- x) 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.
- xi) As per notification GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Act is not applicable to the government company. Accordingly paragraph 3(xi) of the order is not applicable to 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 3 (xii) 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) According to the information and explanations given to us and based upon the audit procedure performed, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- 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. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi) In our opinion, the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Sd/-  
CA. Arpit Jain  
(Partner)  
M.No. 417169  
UDIN:21417169AAAIX7935

Place: Ranchi  
Date: 27.08.2021

## “Annexure B” to the Independent Auditors’ Report of even date on Standalone Financial Statements of MECON LIMITED for the year 2020-21.

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. 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? (In case, lender is a Government Company, then this direction is also applicable for statutory auditor of lender company)</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 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 (grants/subsidy etc.) 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, 2021 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, 2021, 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  
Firm Registration No: 003247C

Sd/-  
CA. Arpit Jain  
(Partner)  
M.No. 417169  
UDIN:21417169AAAAIX7935

Place: Ranchi  
Date: 27.08.2021

## **COMMENTS OF THE COMPTROLLER AND 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 MARCH 2021**

The preparation of financial statements of MECON Limited for the year ended 31 March 2021 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 27 August 2021.

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 2021 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under Section 143(6)(b) of the Act.

**For and on behalf of the  
Comptroller and Auditor General of India**

**Sd/-  
(Faisal Imam)  
Principal Director of Audit (Steel)  
Ranchi**

**Place : Ranchi**

**Date : 21.10.2021**

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2021**

(₹ in lakhs)

PARTICULARS	NOTE NO.	AS AT 31.03.2021		AS AT 31.03.2020	
<b>I. ASSETS</b>					
<b>(1) Non-Current Assets</b>					
(a) Property, Plant and Equipment	3		6,613.17		6,740.22
(b) Capital Work-in-Progress	4		66.77		120.62
(c) Investment Property			-		-
(d) Other Intangible Assets	5		51.42		98.18
(e) Intangible Assets under Development			-		-
(f) Financial Assets					
i) Investments	6	11.92		11.92	
ii) Trade Receivables	7	19,260.08		16,432.10	
iii) Loans	8	470.49		301.51	
iv) Other Financial Assets	9	1.03	19,743.52	2,006.31	18,751.84
(g) Deferred Tax Assets (Net)	10		8,361.65		8,751.93
(h) Other Non-Current Assets	11		1,090.19		1,501.25
<b>(2) Current Assets</b>					
(a) Inventories	12		204.67		180.91
(b) Financial Assets					
i) Investments	13	-		-	
ii) Trade Receivables	14	29,951.90		29,875.89	
iii) Cash and Cash Equivalents	15	10,460.48		2,194.26	
iv) Other Bank Balances	16	52,703.10		37,100.79	
v) Loans	17	799.84		785.60	
vi) Other Financial Assets	18	5,335.54	99,250.86	6,910.57	76,867.11
(c) Current Tax Assets (Net)	19		996.19		10,533.50
(d) Other Current Assets	20		8,998.27		8,596.24
<b>TOTAL ASSETS</b>			<b>145,376.71</b>		<b>132,141.80</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	33,094.92	37,108.76	35,810.30	39,824.14
<b>(B) LIABILITIES</b>					
<b>(1) Non-Current Liabilities</b>					
(a) Financial Liabilities					
i) Borrowings		-		-	
ii) Trade Payables	23				
(A) Total outstanding dues of micro enterprises and small enterprises		1,514.85		1,333.02	
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,959.27		2,730.78	
iii) Other Financial Liabilities	24	1,935.05	6,409.17	1,030.91	5,094.71
(b) Provisions	25		25,916.61		26,291.94
(c) Deferred Tax Liabilities (Net)	10		-		-
(d) Other Non-Current Liabilities	26		372.83		452.83
<b>(2) Current Liabilities</b>					
(a) Financial Liabilities					
i) Borrowings	27	-		-	
ii) Trade Payables	28				
(A) Total outstanding dues of micro enterprises and small enterprises		3,734.63		2,337.58	
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		11,378.91		10,394.06	
iii) Other Financial Liabilities	29	35,875.23	50,988.77	32,164.65	44,896.29
(b) Other Current Liabilities	30		16,389.12		7,211.27
(c) Provisions	31		8,191.45		8,370.62
(d) Current Tax Liabilities (Net)	19		-		-
<b>TOTAL EQUITY AND LIABILITIES</b>			<b>145,376.71</b>		<b>132,141.80</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

Place : Ranchi

Date : 27.08.2021

UDIN : 21417169AAAAIX7935

Sd/-  
**(RAVI BAMBHA)**  
COMPANY SECRETARYSd/-  
**(S. SAMANTA)**  
GENERAL MANAGER  
I/C (FINANCE)Sd/-  
**(R. H. JUNEJA)**  
DIRECTOR (FINANCE)Sd/-  
**(ATUL BHATT)**  
CHAIRMAN and  
MANAGING DIRECTOR

## STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2021

(₹ in lakhs)

PARTICULARS	NOTE NO.	Current Year	Previous Year
<b>I. Revenue from Operations</b>	32	75,212.37	64,751.47
<b>II. Other Income</b>	33	4,444.81	4,834.72
<b>III. TOTAL INCOME (I+II)</b>		<b>79,657.18</b>	<b>69,586.19</b>
<b>IV. EXPENSES:</b>			
(a) Purchases of Equipments & Direct Expenses	34	35,466.83	17,001.94
(b) (Accretion)/Decretion to Jobs-in-Progress	35	1,362.72	911.80
(c) Employee Benefits Expenses	36	32,245.89	30,228.81
(d) Finance Costs	37	131.59	175.54
(e) Depreciation and Amortisation Expenses	38	629.01	722.14
(f) Other Expenses	39	7,910.29	11,842.56
<b>TOTAL EXPENSES (IV)</b>		<b>77,746.33</b>	<b>60,882.79</b>
<b>V. Profit/(Loss) before exceptional items and tax (III-IV)</b>		<b>1,910.85</b>	<b>8,703.40</b>
<b>VI. Exceptional Items</b>		-	-
<b>VII. Profit/(Loss) before tax (V-VI)</b>		<b>1,910.85</b>	<b>8,703.40</b>
<b>VIII. Tax Expense:</b>			
(a) Current Tax		896.20	2,314.78
(b) Deferred Tax		390.28	(511.81)
(c) Taxes relating to Earlier Years		-	-
<b>IX. Profit/(Loss) for the year (VII-VIII)</b>		<b>624.37</b>	<b>6,900.43</b>
<b>X. Other Comprehensive Income</b>			
(a) Items that will not be reclassified to Profit and Loss			
Re-measurement of Defined Benefit Plans		(1,420.51)	(1,725.03)
(b) Income tax relating to items that will not be reclassified to Profit and Loss			
Re-measurement of Defined Benefit Plans		248.19	602.79
<b>XI. Total Comprehensive Income for the year (IX+X)</b>		<b>(547.95)</b>	<b>5,778.19</b>
<b>XII. Earnings per equity share (Face Value ₹ 10/- each) Basic &amp; Diluted (₹)</b>	42.12	<b>1.56</b>	<b>17.19</b>

**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)**  
GENERAL MANAGER  
I/C (FINANCE)

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

Sd/-  
**(ATUL BHATT)**  
CHAIRMAN and  
MANAGING DIRECTOR

Place : Ranchi

Date : 27.08.2021

UDIN : 21417169AAAIX7935

## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2021

### A. EQUITY SHARE CAPITAL (₹ in lakhs)

Particulars	Balance as at 31 <sup>st</sup> March, 2020	Changes in Equity Share Capital during the year	Balance as at 31 <sup>st</sup> March, 2021
Equity Share Capital	4,013.84	-	4,013.84

### B. OTHER EQUITY (₹ 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, 2019</b>	<b>6,300.00</b>	<b>71.04</b>	<b>9,852.39</b>	<b>16,210.91</b>	<b>(2,402.23)</b>	<b>30,032.11</b>
Adjustment due to Ind AS Implementation	-	-	-	-	-	-
Net Profit / (Loss) during the period	-	-	-	6,900.43	-	6,900.43
Remeasurement of gains / (losses) on Defined Benefit Plans	-	-	-	-	(1,122.24)	(1,122.24)
Dividend on Equity Shares	-	-	-	-	-	-
Dividend Distribution Tax	-	-	-	-	-	-
Transferred from Retained Earnings during the period	-	19.92	-	-	-	19.92
Transferred to Retained Earnings during the period	-	(55.52)	-	-	-	(55.52)
Transferred from CSR Activity Reserve during the period	-	-	-	55.52	-	55.52
Transferred to CSR Activity Reserve during the period	-	-	-	(19.92)	-	(19.92)
Transferred to General Reserve	-	-	-	-	-	-
Adjusted / written back on Revaluation Reserve	-	-	-	-	-	-
<b>Balance as at 31st March, 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
Remeasurement of gains / (losses) on Defined Benefit Plans	-	-	-	-	(1,172.32)	(1,172.32)
Dividend on Equity Shares	-	-	-	(2,167.43)	-	(2,167.43)
Dividend Distribution Tax	-	-	-	-	-	-
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	-	-	-	-	-	-
Adjusted / written back on Revaluation 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

Place : Ranchi

Date : 27.08.2021

UDIN : 21417169AAAAIX7935

Sd/-  
**(RAVI BAMBHA)**  
COMPANY SECRETARY

Sd/-  
**(S. SAMANTA)**  
GENERAL MANAGER  
I/C (FINANCE)

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

Sd/-  
**(ATUL BHATT)**  
CHAIRMAN and  
MANAGING DIRECTOR

## CASH FLOW STATEMENT FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2021 (Indirect Method)

(₹ in lakhs)

	2020-21		2019-20	
<b>Cash Flows from Operating Activities</b>				
Net Profit/(Loss) before Taxation		<b>1,910.85</b>		<b>8,703.40</b>
Add : Adjustments for				
Depreciation & Amortisation	629.01		722.14	
Bad Debts written off	-		1.81	
Provision for Bad & Doubtful Trade Receivables / ECL	1,083.40		2,648.56	
Other Provisions	1,145.71		3,048.86	
Advances / Deposits / Receivable written off	-		13.73	
Finance Costs	131.59		175.54	
		<b>2,990.46</b>		<b>6,610.64</b>
Less : Adjustments for				
Profit on Sale/Disposal of Fixed Assets	-		6.18	
Interest Income	3,143.84		2,936.63	
Dividend Received	1.60		1.60	
Gain/(Loss) on Redemp. or Fair Valuation of Invest. in MFs	0.32		6.96	
		<b>3,145.76</b>		<b>2,951.37</b>
Operating Profit/(Loss) before Working Capital Changes		<b>1,755.55</b>		<b>12,362.67</b>
Add : Adjustments for				
(Increase) / Decrease in Inventories	(23.76)		(35.00)	
(Increase) / Decrease in Trade Receivables	(3,987.39)		(4,372.25)	
(Increase) / Decrease in Loans	(261.79)		(2,329.37)	
(Increase) / Decrease in Other Current Financial Assets	1,184.61		901.90	
(Increase) / Decrease in Tax Assets	8,889.30		(2,552.32)	
(Increase) / Decrease in Other Non-Financial Assets	(87.06)		(100.91)	
Increase / (Decrease) in Trade Payables	2,792.22		(1,859.69)	
Increase / (Decrease) in Financial Liabilities	4,614.72		4,801.87	
Increase / (Decrease) in Provisions	(1,975.01)		(15,854.42)	
Increase / (Decrease) in Non-Financial Liabilities	8,517.22		(6,112.24)	
		<b>19,663.06</b>		<b>(27,512.43)</b>
<b>Cash Generated from Operations</b>		<b>21,418.61</b>		<b>(15,149.76)</b>
Less : Taxes Paid		-		-
<b>Net Cash from Operating Activities (A)</b>		<b>21,418.61</b>		<b>(15,149.76)</b>

## CASH FLOW STATEMENT

### FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2021 (Indirect Method) (Contd.)

(₹ in lakhs)

	2020-21		2019-20	
<b>Cash Flows from Investing Activities</b>				
Purchase of Property, Plant & Eqpt. and Intangible Assets	(402.47)		(469.83)	
Property, Plant & Eqpt. and Intangible Asset sold/discarded	0.37		9.01	
Purchase of Current Investments	-			
(Increase) / Decrease in Deposits with Bank	(13,446.00)		13,850.59	
Interest Received	2,992.81		3,391.06	
Dividend Received	1.60		1.60	
Gain / (Loss) on Redemption of Investment in MFs	0.32		6.96	
<b>Net Cash from Investing Activities (B)</b>		<b>(10,853.37)</b>		<b>16,789.39</b>
<b>Cash Flows from Financing Activities</b>				
Proceeds from /(Repayment) of Current Borrowings	-		-	
Dividend including Dividend Tax Paid	(2,167.43)		-	
Finance Costs	(131.59)		(175.54)	
<b>Net Cash from Financing Activities (C)</b>		<b>(2,299.02)</b>		<b>(175.54)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalent {A}+{B}+{C}</b>		<b>8,266.22</b>		<b>1,464.09</b>
<b>Cash and Cash Equivalent at the beginning</b>		<b>2,194.26</b>		<b>730.17</b>
<b>Cash and Cash Equivalent at the end</b>		<b>10,460.48</b>		<b>2,194.26</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) #	10,453.35		2,182.60	
ii) Cheques & Drafts on hand	-		-	
iii) Cash & Stamps on hand	7.13	<b>10,460.48</b>	11.66	<b>2,194.26</b>
# include amount held in the Separate Bank Accounts maintained on behalf of Clients	<b>10,019.24</b>		1,852.09	

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)**  
GENERAL MANAGER  
I/C (FINANCE)

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

Sd/-  
**(ATUL BHATT)**  
CHAIRMAN and  
MANAGING DIRECTOR

Place : Ranchi

Date : 27.08.2021

UDIN : 21417169AAAAIX7935

## **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, 2021 were approved for issue by the Board of Directors of the Company in their meeting held on 25<sup>th</sup> August, 2021.

## **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 31<sup>st</sup> March, 2021

(₹ in lakhs)

Sl. No.	Particulars	COST				DEPRECIATION				NET CARRYING AMOUNT	
		As on 01.04.20	Addition/ Adjustment	Sale/ Ad-justment	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>

Contd...

(₹ in lakhs)

**As on 31<sup>st</sup> March, 2020**

Sl. No.	Particulars	COST				DEPRECIATION				NET CARRYING AMOUNT	
		As on 01.04.19	Addition/ Adjustment	Sale/ Ad-justment	As on 31.03.20	As on 01.04.19	On Sale/ Adjustment	During the period	Upto 31.03.20	As on 31.03.20	As on 31.03.19
1.	Land	63.93	-	-	63.93	-	-	-	-	63.93	63.93
2.	Building – Freehold	2,464.79	44.09	22.78	2,486.10	1,131.15	21.64	54.88	1,164.39	1,321.71	1,333.64
	– Leasehold	185.11	-	-	185.11	67.52	-	3.32	70.84	114.27	117.59
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	15.26	-	2.12	17.38	18.79	20.91
5.	Furniture & Fixtures	1,125.60	55.87	10.98	1,170.49	895.12	10.44	39.06	923.74	246.75	230.48
6.	Motor Vehicles	83.65	-	-	83.65	13.02	-	9.08	22.10	61.55	70.63
7.	Office Equipments	986.07	14.42	0.48	1,000.01	818.21	0.46	69.37	887.12	112.89	167.86
8.	Computer Hardware	2,385.21	171.56	7.13	2,549.64	2,191.06	6.80	76.37	2,260.63	289.01	194.15
9.	Laboratory Equipments	591.71	13.66	(0.01)	605.38	431.46	-	28.20	459.66	145.72	160.25
10.	Electrical Installation	1,376.85	18.70	16.40	1,379.15	850.74	15.59	88.43	923.58	455.57	526.11
11.	Misc. Articles including Library	216.35	2.67	(0.01)	219.03	202.33	-	2.50	204.83	14.20	14.02
	<b>TOTAL</b>	<b>9,515.99</b>	<b>320.97</b>	<b>57.75</b>	<b>9,779.21</b>	<b>6,616.40</b>	<b>54.93</b>	<b>373.33</b>	<b>6,934.80</b>	<b>2,844.41</b>	<b>2,899.59</b>

**NOTE 3.2 - PROPERTY, PLANT AND EQUIPMENT (SOCIAL AMENITIES)**As on 31<sup>st</sup> March, 2021

(₹ in lakhs)

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

Contd...

(₹ in lakhs)

**As on 31<sup>st</sup> March, 2020**

Sl. No.	Particulars	COST				DEPRECIATION				NET CARRYING AMOUNT	
		As on 01.04.19	Addition/ Adjustment	Sale/ Ad-justment	As on 31.03.20	As on 01.04.19	On Sale/ Adjustment	During the period	Upto 31.03.20	As on 31.03.20	As on 31.03.19
1.	Land	203.67	24.02	-	227.69	-	-	-	-	227.69	203.67
2.	Building	4,057.26	-	-	4,057.26	1,034.03	67.81	1,101.84	1,101.84	2,955.42	3,023.23
3.	Road, Bridges & Culverts	318.12	-	-	318.12	302.14	0.08	302.22	302.22	15.90	15.98
4.	Water Supply and Sewerage	285.86	-	-	285.86	187.70	10.29	197.99	197.99	87.87	98.16
5.	Fences	82.20	-	-	82.20	78.09	-	78.09	78.09	4.11	4.11
6.	Plant & Equipments	498.44	0.37	-	498.81	310.07	23.82	333.88	333.88	164.93	188.37
7.	Furniture & Fixtures	122.36	0.06	-	122.42	87.27	6.46	93.73	93.73	28.69	35.09
8.	Motor Vehicles	1.05	-	-	1.05	0.92	0.04	0.96	0.96	0.09	0.13
9.	Office Equipments	33.35	-	0.01	33.34	25.53	3.01	28.54	28.54	4.80	7.82
10.	Computer Hardware	20.20	-	-	20.20	13.43	2.31	15.74	15.74	4.46	6.77
11.	Electrical Installation	931.52	3.74	0.01	935.25	462.92	70.76	533.68	533.68	401.57	468.60
12.	Misc. Articles including Library	6.22	-	-	6.22	5.94	-	5.94	5.94	0.28	0.28
	<b>TOTAL</b>	<b>6,560.25</b>	<b>28.19</b>	<b>0.02</b>	<b>6,588.42</b>	<b>2,508.04</b>	<b>184.58</b>	<b>2,692.61</b>	<b>2,692.61</b>	<b>3,895.81</b>	<b>4,052.21</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.

## NOTE 4 - CAPITAL WORK-IN-PROGRESS

(₹ in lakhs)

Sl. No.	Particulars	Opening Balance as on 01.04.20	Additions/ Adjustments	Total	Capitalised/ Adjustments	Balance	
						As on 31.03.21	As on 31.03.20
1.	Installation of Energy Meter at Township, Ranchi, Jharkhand	120.62	41.19	161.81	120.62	41.19	120.62
2.	Installation of DG Set	-	25.58	25.58	-	25.58	-
	<b>TOTAL</b>	<b>120.62</b>	<b>66.77</b>	<b>187.39</b>	<b>120.62</b>	<b>66.77</b>	<b>120.62</b>

- (i) Installation of Energy Meter at Township, Ranchi has been capitalised and transferred under Electrical installations in Note No. 3.1 "PROPERTY, PLANT AND EQUIPMENTS (SOCIAL AMENITIES)" ₹ 120.62 Lakhs.

**NOTE 5 - OTHER INTANGIBLE ASSETS**As on 31<sup>st</sup> 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>

As on 31<sup>st</sup> March, 2020

(₹ in lakhs)

Sl. No.	Particulars	COST			AMORTISATION			NET CARRYING AMOUNT			
		As on 01.04.19	Addition/ Adjustment	Sale/ Adjustment	As on 31.03.20	As on 01.04.19	On Sale/ Adjustment	During the period	Upto 31.03.20	As on 31.03.20	As on 31.03.19
1.	Computer Software (General)	1,496.58	97.84	-	1,594.42	1,336.51	-	161.68	1,498.19	96.23	160.07
2.	Computer Software (Social Amenities)	13.23	-	-	13.23	8.73	-	2.55	11.28	1.95	4.50
	<b>TOTAL</b>	<b>1,509.81</b>	<b>97.84</b>	<b>-</b>	<b>1,607.65</b>	<b>1,345.24</b>	<b>-</b>	<b>164.23</b>	<b>1,509.47</b>	<b>98.18</b>	<b>164.57</b>

## NOTE 6 - INVESTMENTS (NON-CURRENT)

(₹ in lakhs)

Particulars		AS AT 31.03.2021		AS AT 31.03.2020	
<b>(a)</b>	<b>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)</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	<b>NIL</b>	<b>NIL</b>
b) Aggregate amount of Unquoted Investments	<b>519.52</b>	<b>519.52</b>
c) Aggregate provision for impairment of in the value of investment	<b>507.60</b>	<b>507.60</b>

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

(₹ in lakhs)

Particulars	AS AT 31.03.2021	AS AT 31.03.2020
a) Considered Good – Secured	-	-
b) Considered Good – Unsecured	<b>19,260.08</b>	<b>16,432.10</b>
c) Significant increase in Credit Risk	<b>259.93</b>	<b>284.28</b>
d) Credit Impaired	<b>9,957.50</b>	<b>9,318.56</b>
	<b>29,477.51</b>	<b>26,034.94</b>
Less : Provision for Bad and Doubtful Trade Receivables / Expected Credit Loss	<b>10,217.43</b>	<b>9,602.84</b>
<b>TOTAL</b>	<b>19,260.08</b>	<b>16,432.10</b>

**NOTE 8 - LOANS (NON-CURRENT)**

(₹ in lakhs)

Particulars		AS AT 31.03.2021		AS AT 31.03.2020	
<b>(a)</b>	<b>Security Deposits</b>				
	(i) Government Authorities \$		<b>5.38</b>		5.46
	(ii) Others				
	Considered Good – Secured	–		–	
	Considered Good – Unsecured	458.03		193.96	
	Significant increase in Credit Risk	–		–	
	Credit Impaired	94.58		94.58	
		552.61		288.54	
	Less : Provision for doubtful deposits	94.58	<b>458.03</b>	94.58	193.96
<b>(b)</b>	<b>Loans to Related Parties</b>		–		–
<b>(c)</b>	<b>Others</b>				
	(i) Advance to Employees \$		–		0.07
	(ii) Interest Receivable on Advance to Employees \$		<b>0.14</b>		0.48
	(iii) Claims Recoverable				
	Considered Good – Secured	–		–	
	Considered Good – Unsecured	6.94		101.54	
	Significant increase in Credit Risk	–		–	
	Credit Impaired	88.42		187.51	
		95.36		289.05	
	Less : Provision for Claims Recoverable	88.42	<b>6.94</b>	187.51	101.54
	<b>TOTAL</b>		<b>470.49</b>		<b>301.51</b>

\$ Considered good – Unsecured

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

(₹ in lakhs)

Particulars		AS AT 31.03.2021		AS AT 31.03.2020	
<b>(a)</b>	<b>Bank Balances</b>		<b>1.00</b>		2,005.00
	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			
<b>(b)</b>	<b>Interest accrued but not due</b>		<b>0.03</b>		1.31
	<b>TOTAL</b>		<b>1.03</b>		<b>2,006.31</b>

**NOTE 10 - DEFERRED TAX ASSETS (NET)**

(₹ in lakhs)

Particulars		AS AT 31.03.2021		AS AT 31.03.2020	
<b>(a)</b>	<b>Deferred Tax Assets</b>				
	(i) Provision for Bad & Doubtful Debts	3,479.55		3,256.28	
	(ii) Provision for Gratuity	1,489.44		2,184.80	
	(iii) Provision for ECL	338.32		356.06	
	(iv) Provision for LD Recovered	2.77		2.77	
	(v) Provision for Claims Recoverable	839.53		859.94	
	(vi) Provision for Doubtful Advances to Suppliers	126.21		126.21	
	(vii) Provision for Doubtful Deposit with Others	11.89		11.90	
	(viii) Provision for EMD/SD	269.33		269.33	
	(ix) Provision for Misc. Deductions	772.16		719.77	
	(x) Provision for Disputed Cases	99.63		100.71	
	(xi) Provision for Service Tax Receivable	547.81		568.30	
	(xii) Provision for Stagnant Jobs	887.26		820.40	
	(xiii) Provision for Output VAT Receivable	155.44		155.44	
	(xiv) Provision for Doubtful GST Receivable	56.07		25.84	
	(xv) Prov. for Doubtful STDS Certificate Recv.	40.86		40.86	
	(xvi) Provision for Bonus	4.96		4.09	
	(xvii) Prov. for diminution in the value of Investment	174.72	<b>9,295.95</b>	174.72	9,677.42
<b>(b)</b>	<b>Deferred Tax Liability</b>				
	(i) Diff. between book and tax depreciation	771.25		757.14	
	(ii) Sales Tax Paid	163.05	<b>934.30</b>	168.35	925.49
<b>NET DEFERRED TAX ASSET / (LIABILITY) (a) - (b)</b>			<b>8,361.65</b>		<b>8,751.93</b>

**NOTE 11 - OTHER NON-CURRENT ASSETS**

(₹ in lakhs)

Particulars		AS AT 31.03.2021		AS AT 31.03.2020	
(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 #	970.67		1,376.67	
	Considered Good – Unsecured	-		-	
	Considered Doubtful	361.12		361.12	
		1,331.79		1,737.79	
	Less : Provision for doubtful advance to Suppliers and Sub-Contractors	361.12	<b>970.67</b>	361.12	1,376.67
	- Advance to Others \$		<b>96.68</b>		96.68
	- Prepaid Expenses \$		<b>12.84</b>		17.90
	- 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>1,090.19</b>		<b>1,501.25</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 31.03.2021	AS AT 31.03.2020
(a)	<b>Stores and Spares</b>	<b>139.84</b>	100.05
(b)	<b>Printing and Stationery</b>	<b>30.34</b>	48.98
(c)	<b>Computer Consumables</b>	<b>34.49</b>	31.88
	<i>Valued as per Accounting Policy (NOTE 2, Sl.No.6)</i>		
	<b>TOTAL</b>	<b>204.67</b>	<b>180.91</b>

## NOTE 13 - INVESTMENTS (CURRENT)

(₹ in lakhs)

Particulars	AS AT 31.03.2021		AS AT 31.03.2020	
	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 31.03.2021	AS AT 31.03.2020
a) Considered Good – Secured	-	-
b) Considered Good – Unsecured	29,951.90	29,875.89
c) Significant increase in Credit Risk	708.25	734.65
d) Credit Impaired	-	-
	30,660.15	30,610.54
Less : Provision for Bad and Doubtful Trade Receivables / Expected Credit Loss	708.25	734.65
<b>TOTAL</b>	29,951.90	29,875.89

## NOTE 15 - CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	AS AT 31.03.2021	AS AT 31.03.2020
i) Cash at Bank (Current & Flexi Deposit A/cs)	10,453.35	2,182.60
ii) Cheques & Drafts on hand	-	-
iii) Cash & Stamps on hand	7.13	11.66
<b>TOTAL</b>	10,460.48	2,194.26
➤ Cash at Bank (Current & Flexi Deposit A/cs) include amounts held in the Separate Bank Accounts maintained on behalf of Clients.	10,019.24	1,852.09

## NOTE 16 - OTHER BANK BALANCES

(₹ in lakhs)

Particulars	AS AT 31.03.2021	AS AT 31.03.2020
(a) Fixed Deposits with more than 3 months maturity which are due for maturity within 12 months from balance sheet date	51,805.00	36,355.00
(b) Interest accrued but not due on Fixed Deposits	898.10	745.79
<b>TOTAL</b>	52,703.10	37,100.79
➤ Other Bank Balances include amounts earmarked / available for specified purposes as under :		
i) CSR and SD Expenditure	265.81	216.51
ii) Research & Development Expenditure	-	169.45
iii) Corporate Sports Expenditure	-	90.00
➤ Other Bank Balances include amounts held as margin money & security under lien against borrowings, etc.	9,201.00	9,201.00
➤ Other Bank Balances include Deposits with more than 12 months maturity	-	-

**NOTE 17 - LOANS (CURRENT)**

(₹ in lakhs)

Particulars		AS AT 31.03.2021		AS AT 31.03.2020	
<b>(a)</b>	<b>Security Deposits</b>				
	Deposit with Others				
	Considered Good – Secured	-		-	
	Considered Good – Unsecured	207.60		133.62	
	Significant increase in Credit Risk	-		-	
	Credit Impaired	9.41		9.41	
		217.01		143.03	
	Less : Provision for Doubtful Deposit with Others	9.41	<b>207.60</b>	9.41	<b>133.62</b>
<b>(b)</b>	<b>Loans to Related Parties</b>		-		-
<b>(c)</b>	<b>Others</b>				
	(i) Advance to Employees				
	Considered Good – Secured ##	-		-	
	Considered Good – Unsecured	271.41		316.54	
	Significant increase in Credit Risk	-		-	
	Credit Impaired	-	<b>271.41</b>	-	<b>316.54</b>
	(ii) Interest Receivable on Advance to Employees ##		<b>0.69</b>		<b>2.64</b>
	(iii) Claims Recoverable				
	Considered Good – Secured	-		-	
	Considered Good – Unsecured	320.14		332.80	
	Significant increase in Credit Risk	-		-	
	Credit Impaired	2,314.06		2,273.41	
		2,634.20		2,606.21	
	Less : Provision for Doubtful Claims Recoverable	2,314.06	<b>320.14</b>	2,273.41	<b>332.80</b>
	<b>TOTAL</b>		<b>799.84</b>		<b>785.60</b>

## Secured against buildings and vehicles

## NOTE 18 - OTHER FINANCIAL ASSETS (CURRENT)

(₹ in lakhs)

Particulars		AS AT 31.03.2021		AS AT 31.03.2020	
(a)	<b>Jobs-in-Progress for Consultancy Services</b>	7,726.75		9,089.47	
	<i>Valued as per Accounting Policy (NOTE 2, Sl.No.9)</i>				
	Less : Provision for Stagnant Jobs-in-Progress	2,539.07	<b>5,187.68</b>	2,347.75	<b>6,741.72</b>
(b)	<b>Other Receivables</b>		<b>147.86</b>		<b>168.85</b>
	<b>TOTAL</b>		<b>5,335.54</b>		<b>6,910.57</b>

## NOTE 19 - CURRENT TAX ASSETS (NET)

(₹ in lakhs)

Particulars	AS AT 31.03.2021	AS AT 31.03.2020
Payment against Income Taxes (Net)	<b>996.19</b>	10,533.50
<b>CURRENT TAX ASSETS / (LIABILITIES)</b>	<b>996.19</b>	<b>10,533.50</b>

## NOTE 20 - OTHER CURRENT ASSETS

(₹ in lakhs)

Particulars		AS AT 31.03.2021		AS AT 31.03.2020	
(a)	<b>Advances other than capital advances</b>				
	(i) Security Deposits		-		-
	(ii) Advances to related parties		-		-
	(iii) Other Advances				
	- Advances to Contractors \$		<b>17.60</b>		15.35
	- Advance to Suppliers and Sub-Contractors				
	Considered Good – Secured #	773.95		826.69	
	Considered Good – Unsecured	11.09		69.12	
	Considered Doubtful	0.06		0.06	
		785.10		895.87	
	Less : Provision for doubtful advance to Suppliers and Sub-Contractors	0.06	<b>785.04</b>	0.06	895.81
	- Advance to Others & Canteen \$		<b>14.41</b>		10.90
	- Prepaid Expenses \$		<b>32.54</b>		25.08

\$ 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 31.03.2021		AS AT 31.03.2020	
	- Payment against Sales Tax / VAT (Net) \$		<b>1,005.09</b>		1,020.26
	- 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	<b>40.67</b>	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	32.54		24.59	
	Considered Doubtful	1,567.68		1,626.31	
		1,600.22		1,650.90	
	Less : Provision for Service Tax Receivable	1,567.68	<b>32.54</b>	1,626.31	24.59
	- GST Receivable				
	Considered Good – Unsecured	7,070.16		6,563.58	
	Considered Doubtful	160.47		73.96	
		7,230.63		6,637.54	
	Less : Provision for GST Receivable	160.47	<b>7,070.16</b>	73.96	6,563.58
<b>(b)</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	-	<b>0.22</b>	-	-
	<b>TOTAL</b>		<b>8,998.27</b>		<b>8,596.24</b>

\$ Considered good – Unsecured

## NOTE 21 : EQUITY SHARE CAPITAL

(₹ in lakhs)

	AS AT 31.03.2021	AS AT 31.03.2020
<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>	4,100.00
	<b>4,100.00</b>	<b>4,100.00</b>
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP</b>		
<b>Equity Shares</b>		
<b>4,01,38,360 ( Previous year 4,01,38,360) Equity Shares of ₹ 10/- each with voting rights.</b>	<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 15 <sup>th</sup> 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 30 <sup>th</sup> 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 31.03.2021	AS AT 31.03.2020
<b>Equity Shares</b>		
Number of Shares Outstanding at the beginning	<b>4,01,38,360</b>	4,01,38,360
Number of Shares Issued during the period	-	-
Number of Shares Bought Back during the period	-	-
Number of Shares Outstanding at the end	<b>4,01,38,360</b>	4,01,38,360

**NOTE 22 : OTHER EQUITY**

(₹ in lakhs)

	AS AT 31.03.2021		AS AT 31.03.2020	
<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	35.44		71.04	
Add : Transferred from Surplus	93.99		19.92	
Less : Transferred to Surplus	44.69	<b>84.74</b>	55.52	35.44
<b>General Reserve \$\$\$</b>				
As per last Balance Sheet	9,852.39		9,852.39	
Add : Transferred from Surplus	-	<b>9,852.39</b>	-	9,852.39
<b>Retained Earnings \$\$\$\$</b>				
As per last Balance Sheet	23,146.94		16,210.91	
Add : Net Profit / (Loss) from Statement of Profit and Loss	624.37		6,900.43	
Add : Transferred from CSR Activity Reserve	44.69		55.52	
<b>Amount available for appropriation</b>	<b>23,816.00</b>		<b>23,166.86</b>	
Less : Transferred to CSR Activity Reserve	93.99		19.92	
Less : Dividend on Equity Shares	2,167.43		-	
Less : Transferred to General Reserve		<b>21,554.58</b>	-	23,146.94
<b>B. OTHER COMPREHENSIVE INCOME #</b>				
As per last Balance Sheet	(3,524.47)		(2,402.23)	
Add : Other Comprehensive Income from Statement of Profit and Loss	(1,172.32)	<b>(4,696.79)</b>	(1,122.24)	(3,524.47)
<b>TOTAL</b>		<b>33,094.92</b>		<b>35,810.30</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 31.03.2021	AS AT 31.03.2020
<b>Trade Payables</b>		
i) Dues to Micro & Small Enterprises ( <i>Refer Note 42.20</i> )	<b>1,514.85</b>	1,333.02
ii) Others	<b>2,959.27</b>	2,730.78
<b>TOTAL</b>	<b>4,474.12</b>	<b>4,063.80</b>

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

(₹ in lakhs)

Particulars	AS AT 31.03.2021	AS AT 31.03.2020
<b>(a) Other Payables</b>		
(i) Sundry Creditors	<b>171.87</b>	172.01
(ii) Securities and Other Deposits	<b>1,253.44</b>	465.30
(iii) Deposit under Employees Family Benefit Scheme	<b>238.97</b>	271.83
(iv) Liability for Employees	<b>270.77</b>	121.77
<b>TOTAL</b>	<b>1,935.05</b>	<b>1,030.91</b>

## NOTE 25 - PROVISIONS (NON-CURRENT)

(₹ in lakhs)

Particulars	AS AT 31.03.2021		AS AT 31.03.2020	
<b>(a) Provision for Employee Benefits</b>				
(i) Provision for Gratuity (Present Value of Defined Benefit Obligation as per actuarial valuation)	3,062.14		4,923.92	
(ii) Provision for Leave Encashment (Present Value of Defined Benefit Obligation as per actuarial valuation)	14,172.51		12,470.32	
(iii) Provision for Other Employee Defined Benefit Schemes (Present Value of Defined Benefit Obligation as per actuarial valuation)	6,765.11		6,672.12	
		<b>23,999.76</b>		<b>24,066.36</b>
<b>(b) Other Provisions</b>				
(i) Provision for Miscellaneous Deduction by Clients		<b>1,631.72</b>		1,937.37
(ii) Provision for Disputed Cases		<b>285.13</b>		288.21
<b>TOTAL</b>		<b>25,916.61</b>		<b>26,291.94</b>

**NOTE 26 - OTHER NON-CURRENT LIABILITIES**

(₹ in lakhs)

Particulars	AS AT 31.03.2021	AS AT 31.03.2020
(i) Advances from Clients	11.19	11.19
(ii) Liquidated Damages Recovered from Parties	361.64	441.64
<b>TOTAL</b>	<b>372.83</b>	<b>452.83</b>

**NOTE 27 - BORROWINGS (CURRENT)**

(₹ in lakhs)

Particulars	AS AT 31.03.2021	AS AT 31.03.2020
Working Capital Borrowings from Bank (Secured against Fixed Deposits with Banks under lien)	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**NOTE 28 - TRADE PAYABLES (CURRENT)**

(₹ in lakhs)

Particulars	AS AT 31.03.2021	AS AT 31.03.2020
Trade Payables		
(i) Dues to Micro & Small Enterprises (Refer Note 42.20)	3,734.63	2,337.58
(ii) Others	11,378.91	10,394.06
<b>TOTAL</b>	<b>15,113.54</b>	<b>12,731.64</b>

**NOTE 29 - OTHER FINANCIAL LIABILITIES (CURRENT)**

(₹ in lakhs)

Particulars	AS AT 31.03.2021	AS AT 31.03.2020
<b>(a) Current Maturity of Non-Current Borrowings</b>	-	-
<b>(b) Interest accrued but not due on borrowings</b>	-	-
<b>(c) Interest accrued and due on borrowings</b>	-	-
<b>(d) Other Payables</b>		
(i) Sundry Creditors	4,273.19	3,739.13
(ii) Securities and other deposits	700.94	554.21
(iii) Deposit under Employees Family Benefit Scheme	113.90	86.98
(iv) Liability for Employees	6,017.83	4,100.08
(v) Invoice raised but not accrued (Net)	24,769.37	23,684.25
<b>TOTAL</b>	<b>35,875.23</b>	<b>32,164.65</b>

## NOTE 30 - OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	AS AT 31.03.2021	AS AT 31.03.2020
(i) Advances from Clients	3,051.22	2,962.38
(ii) Deposit from Clients (Deposit Works)	9,168.50	1,289.85
(iii) Liquidated Damages Recovered from Parties	12.31	11.97
(iv) VAT / Central Sales Tax Liability	137.42	140.53
(v) Service Tax Liability	1.11	1.11
(vi) GST Payable	3,770.27	2,276.37
(vii) Others (including CSR / SD / R&D Fund)	248.29	529.06
<b>TOTAL</b>	<b>16,389.12</b>	<b>7,211.27</b>

## NOTE 31 - PROVISIONS (CURRENT)

(₹ in lakhs)

Particulars	AS AT 31.03.2021		AS AT 31.03.2020	
<b>(a) Provision for Employee Benefits</b>				
(i) Provision for Gratuity (Present Value of Defined Benefit Obligation as per actuarial valuation)	1,200.31		1,328.37	
(ii) Provision for Leave Encashment (Present Value of Defined Benefit Obligation as per actuarial valuation)	1,015.68		1,238.31	
(iii) Provision for Other Employee Defined Benefit Schemes (Present Value of Defined Benefit Obligation as per actuarial valuation)	473.10		464.73	
(iv) Provision for Employee Defined Contribution Schemes	1,630.82		1,950.05	
		<b>4,319.91</b>		<b>4,981.46</b>
<b>(b) Other Provisions</b>				
(i) Provision for Bonus		14.19		11.71
(ii) Provision for Expenses & Contractual Obligations		3,279.36		3,255.04
(iii) Provision for Miscellaneous Deductions by Clients		577.99		122.41
<b>TOTAL</b>		<b>8,191.45</b>		<b>8,370.62</b>

## NOTE 32 - REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	2020-21	2019-20
<b>(a) Revenue from Consultancy Services</b>	<b>29,186.81</b>	<b>34,297.72</b>
<b>(b) Revenue from Construction Contracts</b>	<b>18,250.08</b>	<b>14,889.13</b>
<b>(c) Revenue from Procurement Services</b>	<b>24,363.56</b>	<b>6,930.41</b>
<b>(d) Other Operating Revenue</b>		
(i) Provision no longer required written back (Direct)	2,951.89	6,816.63
(ii) Others	460.03	1,817.58
<b>TOTAL</b>	<b>75,212.37</b>	<b>64,751.47</b>

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

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

(₹ in lakhs)

Particulars		2020-21	2019-20
(a)	Engineering, Technical Consultancy, Project Management Services, etc. – Domestic	28,823.11	33,874.32
(b)	Engineering, Technical Consultancy, Project Management Services, etc. – Foreign	363.70	423.40
(c)	Execution of Construction Contracts/EPC Contracts including Supply of Equipment & Components, etc.	18,250.08	14,889.13
(d)	Execution of Procurement Services	24,363.56	6,930.41
<b>TOTAL</b>		<b>71,800.45</b>	<b>56,117.26</b>

**NOTE 33 - OTHER INCOME**

(₹ in lakhs)

Particulars		2020-21	2019-20
<b>(a)</b>	<b>Interest Income</b>		
	(i) Interest from Bank (Tax deducted at Source ₹ 159.25 lakhs) (CPLY ₹ 179.16 lakhs)	2,505.71	2,936.53
	(ii) Interest on Advances to Employees for Conveyance and House Building	-	0.10
	(iii) Interest from Income Tax Department and Others	638.13	-
<b>(b)</b>	<b>Dividend Income from Non-Current Investment</b>	<b>1.60</b>	<b>1.60</b>
<b>(c)</b>	<b>Other Non-Operating Income</b>		
	(i) Gain / (Loss) on Redemption of Investments in Mutual Funds	0.32	6.96
	(ii) Profit on Sale / Disposal of Fixed Assets	-	6.18
	(iii) Income from Township	932.48	1,250.99
	(iv) Provision no longer required written back	314.87	536.60
	(v) Miscellaneous Income	51.70	95.76
<b>TOTAL</b>		<b>4,444.81</b>	<b>4,834.72</b>

**NOTE 34 - PURCHASE OF EQUIPMENTS & DIRECT EXPENSES**

(₹ in lakhs)

Particulars		2020-21	2019-20
<b>(a)</b>	<b>Purchase of Equipments &amp; Components for execution of jobs</b>	<b>2,895.76</b>	<b>2,221.51</b>
<b>(b)</b>	<b>Expenses on Sub-Contractors &amp; Others for execution of jobs</b>	<b>10,380.91</b>	<b>9,088.54</b>
<b>(c)</b>	<b>Expenses on Procurement</b>	<b>22,117.43</b>	<b>5,664.55</b>
<b>(d)</b>	<b>Provision for Expenses &amp; Contractual Obligations for execution of jobs</b>	<b>72.73</b>	<b>27.34</b>
<b>TOTAL (a)+(b)+(c)+(d)</b>		<b>35,466.83</b>	<b>17,001.94</b>

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

(₹ in lakhs)

Particulars		2020-21	2019-20
<b>(a)</b>	<b>Opening Jobs-in-Progress (Consultancy)</b>	<b>9,089.47</b>	<b>10,001.27</b>
<b>(b)</b>	<b>Closing Jobs-in-Progress (Consultancy)</b>	<b>7,726.75</b>	<b>9,089.47</b>
<b>(a)-(b)</b>		<b>1,362.72</b>	<b>911.80</b>

## NOTE 36 - EMPLOYEE BENEFITS EXPENSES

(₹ in lakhs)

Particulars		2020-21	2019-20
<b>(a)</b>	<b>Salaries &amp; Wages</b>		
	– Salary and Allowances	21,474.05	20,195.59
	– Leave Encashment	2,062.57	1,781.99
	– Perks and Allowances	3,341.11	3,174.94
	– Bonus	7.19	4.76
	– Superannuation Benefits	1,234.74	1,239.65
	<b>Sub-Total</b>	<b>28,119.66</b>	<b>26,396.93</b>
<b>(b)</b>	<b>Company's Contribution to Provident and Other Fund</b>	<b>3,302.53</b>	<b>3,000.53</b>
<b>(c)</b>	<b>Staff Welfare Expenses</b>		
	– Education	3.17	3.36
	– Medical	515.24	471.91
	– Social & Cultural Activities	45.53	85.24
	– Rent (Residential)	49.21	9.68
	– Group Insurance Premium	0.01	7.12
	– Staff Welfare (Others)	210.54	254.04
	<b>Sub-Total</b>	<b>823.70</b>	<b>831.35</b>
	<b>TOTAL (a)+(b)+(c)</b>	<b>32,245.89</b>	<b>30,228.81</b>

## NOTE 37 - FINANCE COSTS

(₹ in lakhs)

Particulars		2020-21	2019-20
<b>(a)</b>	<b>Interest</b>		
	Interest on Loan from Banks	52.38	45.26
	<b>Sub-Total (a)</b>	<b>52.38</b>	<b>45.26</b>
<b>(b)</b>	<b>Other Borrowing Costs</b>		
i)	Bank Charges	2.59	38.81
ii)	Bank Guarantee Commission	76.62	91.47
	<b>Sub-Total (b)</b>	<b>79.21</b>	<b>130.28</b>
	<b>TOTAL (a) + (b)</b>	<b>131.59</b>	<b>175.54</b>

## NOTE 38 - DEPRECIATION AND AMORTISATION EXPENSES

(₹ in lakhs)

Particulars		2020-21	2019-20
<b>a)</b>	<b>Depreciation</b>	<b>576.22</b>	<b>557.91</b>
<b>b)</b>	<b>Amortisation</b>	<b>52.79</b>	<b>164.23</b>
	<b>TOTAL (a) + (b)</b>	<b>629.01</b>	<b>722.14</b>

**NOTE 39 - OTHER EXPENSES**

(₹ in lakhs)

Particulars		2020-21	2019-20
1.	Travelling Expenses	1,115.09	1,666.30
2.	Foreign Deputation	12.55	104.45
3.	Maintenance & Repairs to Buildings	1,438.02	1,339.48
4.	Repairs (Others)	28.55	42.01
5.	Stores & Spares consumed	83.77	103.57
6.	Printing & Stationery consumed	83.10	87.97
7.	Expenses on Computer Consumables	28.48	42.69
8.	Rent (Non-residential)	323.88	430.73
9.	Rates & Taxes	67.03	81.64
10.	Advertisement & Publicity	28.79	94.56
11.	Payment to Auditors :		
	– As Statutory Auditor	4.00	4.00
	– For Income Tax / GST Audit Matters	0.60	3.50
	– For Quarterly Audit	3.00	3.00
	– For reimbursement of expenses	3.30	3.41
		10.90	13.91
12.	Insurance	16.09	11.04
13.	Training Expenses :		
	– Inland	23.79	88.35
	– Foreign	-	-
		23.79	88.35
14.	Postage & Telecommunications	101.59	102.97
15.	Computer Services	149.53	147.04
16.	Power and Fuel	413.20	499.36
17.	Legal & Professional Charges	141.81	156.70
18.	Assets Charged to Revenue	2.51	2.07
19.	Other Administrative and Misc. Expenses	1,052.06	1,022.37
20.	Expenses on CSR and Sustainable Development	44.69	55.52
21.	Expenses on Research & Development	-	6.87
22.	Expenses on COVID-19	515.00	-
23.	Expenses on Corporate Sports Fund	-	30.00
24.	Loss on Sale / Disposal of Fixed Assets	0.75	-
25.	Provisions		
	– Provision for Doubtful Trade Receivables / ECL	1,083.40	2,648.56
	– Provision for Claims Recoverable	78.57	2,210.47
	– Provision for Doubtful Deposit with Others	-	0.60
	– Provision for Earnest Money Deposit	-	18.09
	– Provision for Stagnant Jobs-in-Progress	390.42	340.89
	– Provision for Service Tax Receivable	0.54	67.75
	– Provision for VAT / Cess Receivable	-	7.07
	– Provision for GST Receivable	87.38	68.99
	– Provision for Doubtful ITDS Credit	8.17	17.63
	– Provision for Doubtful STDS Credit	-	100.37
	– Provision for Doubtful Advance Fringe Benefit Tax	-	59.40
	– Provision for Misc. Deduction by Clients	580.63	157.60
26.	Write Offs		
	– Bad Debts Written Off	-	1.81
	– ITDS Certificate Receivable Written Off	-	13.73
	<b>TOTAL</b>	<b>7,910.29</b>	<b>11,842.56</b>

## NOTE 40: CONTINGENT LIABILITIES AND COMMITMENTS

(to the extent not provided for)

(₹ in lakhs)

	Particulars	31.03.2021	31.03.2020
<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.	2,004.93	2,065.05
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.	7,493.15	7,590.72
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)	<p>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 PF 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.</p> <p>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.</p> <p>RPFC 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.</p> <p>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.</p>	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

## 40.1 Contingent Liabilities (contd.)

(₹ in lakhs)

	Particulars	31.03.2021	31.03.2020
ix)	Interest on arrear perks and allowances in respect of executive employees as determined upto 31.03.2021 following order no. O.A. 350/00191/2014 dated 15.02.2016 passed by the Central Administrative Tribunal, Calcutta Bench, pending final decision.	6,347.18	5,792.84
40.2	<b>Commitments</b> Estimated amount of contracts/orders remaining to be executed/supplied on capital account and not provided for	18.00	68.12

**NOTE 41: PROPOSED DIVIDEND**

Particulars	2020-21	2019-20
Proposed Dividend on Equity Shares		
Total Dividend (₹ in lakhs)	NIL	2,167.43
Dividend per share (₹)	NIL	5.40

**NOTE 42: ADDITIONAL INFORMATION AND OTHER DISCLOSURES**

(₹ in lakhs)

	Particulars	2020-21		2019-20	
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.	18,473.57		19,177.87	
42.3	Earnings in Foreign Exchange Fees for services rendered.	363.70		423.40	
42.4	Expenditure in Foreign Currency				
	(i) Professional and Consultation Fees	NIL		NIL	
	(ii) Other matters	<u>21.63</u>	21.63	<u>125.58</u>	125.58
42.5	Value of Imports (Calculated on CIF basis)				
	(i) Equipment, components & spares parts used in construction contract	820.50		10.95	
	(ii) Capital goods	<u>NIL</u>	820.50	<u>NIL</u>	10.95
42.6	(i) Expenses on Advertisement & Publicity				
	a) Advertisement	9.10		12.75	
	b) Publicity	<u>19.69</u>	28.79	<u>81.81</u>	94.56
	(ii) Expenses on Public Relation Establishment		103.83		77.35
42.7	Expenses on Engineering, Research & Development Wing / establishment, including capital assets		95.37		106.09

**42.8 PARTICULARS OF PROVISIONS**

(₹ in lakhs)

PARTICULARS	Pro- vision for Bonus	Provision for Bad & Doubtful Trade Re- ceivables	Provision for Liq- uidated Damages recovered by Clients	Provision for Claims Recover- able	Provi- sion for Doubtful Earnest Money Deposit	Provi- sion for Doubtful Deposit with Others	Provi- sion for doubtful advanc- es to suppliers/ sub-con- tractors	Provision for Miscel- laneous Deduc- tions by Clients	Provision for Disput- ed Cases, Stagnant jobs, EMD, SD, etc
Opening Balance as on 01.04.2020	<b>11.71</b> (11.34)	<b>9,318.56</b> (6,780.22)	<b>7.92</b> (167.67)	<b>2,460.92</b> (280.92)	<b>69.96</b> (51.87)	<b>34.03</b> (165.27)	<b>361.18</b> (361.79)	<b>2,059.78</b> (2,701.03)	<b>5,751.41</b> (9,176.55)
Add: Provision made during the year	<b>8.57</b> (7.88)	<b>1,083.40</b> (2,542.11)	<b>NIL</b> (NIL)	<b>78.57</b> (2,210.47)	<b>NIL</b> (18.09)	<b>NIL</b> (0.60)	<b>NIL</b> (NIL)	<b>580.63</b> (154.52)	<b>486.51</b> (665.18)
Add / (Less): Inter-Head Adjustment	<b>NIL</b> (NIL)	<b>NIL</b> (83.66)	<b>NIL</b> (83.66)	<b>NIL</b> (NIL)	<b>NIL</b> (NIL)	<b>NIL</b> (NIL)	<b>NIL</b> (NIL)	<b>NIL</b> (NIL)	<b>NIL</b> (NIL)
Less: Provision utilised during the year	<b>4.71</b> (4.24)	<b>29.65</b> (36.56)	<b>NIL</b> (1.62)	<b>NIL</b> (0.76)	<b>NIL</b> (NIL)	<b>NIL</b> (67.17)	<b>NIL</b> (0.61)	<b>NIL</b> (756.38)	<b>17.37</b> (3,913.79)
Less: Unused provision reversed during the year	<b>1.38</b> (3.27)	<b>414.81</b> (50.87)	<b>NIL</b> (74.47)	<b>137.01</b> (29.17)	<b>NIL</b> (NIL)	<b>NIL</b> (64.67)	<b>NIL</b> (NIL)	<b>430.70</b> (39.39)	<b>245.36</b> (176.56)
Closing Balance as on 31.03.2021	<b>14.19</b> (11.71)	<b>9,957.50</b> (9,318.56)	<b>7.92</b> (7.92)	<b>2,402.48</b> (2,460.92)	<b>69.96</b> (69.96)	<b>34.03</b> (34.03)	<b>361.18</b> (361.18)	<b>2,209.71</b> (2,059.78)	<b>5,975.19</b> (5,751.41)

Figures in bracket 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:**

- Gratuity:** 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.
- Leave Encashment:** 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 accumulated earned leave standing to his / her credit when the earned leave has accumulated 300 days, subject to maximum earned leave encashment allowed upto 30 days in a calendar year.
- Provident Fund:** 12% of Basic Pay & Dearness Allowance contributed to the Provident Fund Trust by the Company.
- Post Retirement Medical Benefits :** 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.
- Post Retirement Settlement Benefits:** 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.
- Employees' Family Benefit Scheme:** Monthly payments to disabled separated employees / legal heirs of deceased employees in lieu of prescribed deposit till the notional date of superannuation.
- Long Service Award:** Payable in kind on rendering 15 years of service and also on rendering 30 years of service.
- Retirement Gift:** Payable in kind on retirement.
- LTC/LTA:** 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)

	1	2	3	4	5	6	7	8	
Sl.	Particulars	Gratuity	Leave Encashment	Post Retirement Medical Benefits	Post Retirement Settlement Benefits	Employee Family Benefit Scheme	Retirement Gift	Long Service Award	LTC/LTA
1	P.V. of DBO (Opening)	10,083.22	13,708.63	2,569.45	173.64	267.94	38.50	69.49	65.10
	P.V. of DBO (Opening) (Previous Year)	9,425.54	12,384.44	2,351.79	156.42	266.58	35.46	63.50	62.71
2	Current Service Cost	412.30	1,137.24	-	9.14	-	1.72	4.80	-
	Current Service Cost (Previous Year)	363.45	834.58	-	9.05	-	1.72	4.56	-
3	Interest Cost	700.83	925.33	173.69	11.72	18.09	2.60	4.70	4.39
	Interest Cost (Previous Year)	684.21	947.41	179.91	11.97	20.39	2.71	4.57	4.80
4	Actuarial Loss/ (Gain)	131.44	1,093.15	106.36	(12.27)	28.73	2.18	7.45	0.77
	Actuarial Loss/ (Gain) (Previous Year)	765.77	744.91	167.90	1.19	29.74	4.19	(3.14)	14.47
5	Premium Paid	(20.19)	-	-	-	-	-	-	-
	Premium Paid (Previous Year)	(21.54)	-	-	-	-	-	-	-
6	Past Service Cost	-	-	-	-	-	-	-	-
	Past Service Cost (Previous Year)	-	-	-	-	-	-	-	-
7	Benefit Paid	(1,243.72)	(1,676.16)	(184.88)	(6.61)	(43.28)	(6.56)	(12.73)	(8.66)
	Benefit Paid (Previous Year)	1,134.21	(1,202.71)	(130.15)	(4.99)	(48.77)	(5.58)	-	(16.88)
8	P.V. of DBO (Closing)	10,063.88	15,188.19	2,664.62	175.62	271.48	38.44	73.71	61.60
	P.V. of DBO (Closing) (Previous Year)	10,083.22	13,708.63	2,569.45	173.64	267.94	38.50	69.49	65.10

**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 31.03.2021	As on 31.03.2020
1	<b>F.V of Plan Assets (Opening)</b>	<b>3,830.93</b>	<b>4,632.46</b>
2	Interest Income	258.59	274.83
3	Benefit Payment	(1,227.11)	(1,097.53)
4	Contributions made	3,001.72	21.17
5	Actuarial (Loss)/ Gain	(62.70)	-
6	<b>F.V. of Plan Assets (Closing)</b>	<b>5,801.43</b>	<b>3,830.93</b>
7	P.V. of D.B.O. (Closing)	10,063.88	10,083.22
	<b>Net liability / (assets) recognised in the Balance Sheet</b>	<b>4,262.45</b>	<b>6,252.29</b>

The Company expects to contribute the amount to the Gratuity Fund during the Year 2021-22 after considering liability and fund position.

**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 &amp; Loss.

Sl.	Particulars	(₹ in lakhs)							
		1	2	3	4	5	6	7	8
1	<b>Current Service Cost</b>	<b>412.30</b>	<b>1,137.24</b>	-	<b>9.14</b>	-	<b>1.72</b>	<b>4.80</b>	-
	<i>Current Service Cost (Previous Year)</i>	<i>363.45</i>	<i>834.58</i>	-	<i>9.05</i>	-	<i>1.72</i>	<i>4.56</i>	-
2	<b>Past Service Cost</b>	-	-	-	-	-	-	-	-
	<i>Past Service Cost (Previous Year)</i>	-	-	-	-	-	-	-	-
3	<b>Interest Cost</b>	<b>700.83</b>	<b>925.33</b>	<b>173.69</b>	<b>11.72</b>	<b>18.09</b>	<b>2.60</b>	<b>4.70</b>	<b>4.39</b>
	<i>Interest Cost (Previous Year)</i>	<i>684.21</i>	<i>947.41</i>	<i>179.91</i>	<i>11.97</i>	<i>20.39</i>	<i>2.71</i>	<i>4.57</i>	<i>4.80</i>
4	<b>Interest Income on Plan Assets</b>	<b>(260.68)</b>	-	-	-	-	-	-	-
	<i>Interest Income on Plan Assets (Previous Year)</i>	<i>(296.37)</i>	-	-	-	-	-	-	-
	<b>Expenses Recognised in statement of Profit and Loss</b>	<b>852.45</b>	<b>2,062.57</b>	<b>173.69</b>	<b>20.86</b>	<b>18.09</b>	<b>4.32</b>	<b>9.50</b>	<b>4.39</b>
	<i>Expenses Recognised in statement of Profit and Loss (Previous Year)</i>	<i>751.29</i>	<i>1,781.99</i>	<i>179.91</i>	<i>21.02</i>	<i>20.39</i>	<i>4.43</i>	<i>9.13</i>	<i>4.80</i>

## A.6 Expenses recognised in Other Comprehensive Income.

Sl.	Particulars	(₹ in lakhs)							
		1	2	3	4	5	6	7	8
1	<b>Re-measurements due to changes in Demographic Assumptions</b>	-	-	-	-	-	-	-	-
	<i>Re-measurements due to changes in Demographic Assumptions (Previous Year)</i>	<i>1.59</i>	<i>(102.56)</i>	<i>1.20</i>	<i>0.88</i>	<i>(0.03)</i>	<i>(0.02)</i>	<i>(0.05)</i>	<i>0.12</i>
2	<b>Re-measurements due to changes in Financial Assumptions</b>	<b>89.55</b>	<b>1,574.48</b>	<b>(1.24)</b>	<b>(0.78)</b>	-	-	<b>(0.13)</b>	-
	<i>Re-measurements due to changes in Financial Assumptions (Previous Year)</i>	<i>652.17</i>	<i>1,192.24</i>	<i>16.85</i>	<i>2.25</i>	<i>3.31</i>	<i>1.25</i>	<i>2.19</i>	<i>2.47</i>
3	<b>Re-measurements due to changes in Experience Adjustments</b>	<b>41.89</b>	<b>(481.33)</b>	<b>107.60</b>	<b>(11.49)</b>	<b>28.73</b>	<b>2.18</b>	<b>7.58</b>	<b>0.77</b>
	<i>Re-measurements due to changes in Experience Adjustments (Previous Year)</i>	<i>53.63</i>	<i>(344.77)</i>	<i>149.85</i>	<i>(1.94)</i>	<i>26.46</i>	<i>2.96</i>	<i>(5.28)</i>	<i>11.88</i>
4	<b>Return on Plan Assets (excluding Interest Income)</b>	<b>62.70</b>	-	-	-	-	-	-	-
	<i>Return on Plan Assets (excluding Interest Income) (Previous Year)</i>	<i>58.38</i>	-	-	-	-	-	-	-
	<b>Expenses recognised in Other Comprehensive Income</b>	<b>194.14</b>	<b>1,093.15</b>	<b>106.36</b>	<b>(12.27)</b>	<b>28.73</b>	<b>2.18</b>	<b>7.45</b>	<b>0.77</b>
	<i>Expenses recognised in Other Comprehensive Income (Previous Year)</i>	<i>765.77</i>	<i>744.91</i>	<i>167.90</i>	<i>1.19</i>	<i>29.74</i>	<i>4.19</i>	<i>(3.14)</i>	<i>14.47</i>

**A.7 Actuarial Assumptions**

		2020-21	2019-20
1	Discount Rate (per annum)	6.76%	6.75%
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)	6.84% - 7.10%	7.05% - 7.65%
6	Salary Escalation (per annum)	17% on Basic Pay	16% 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	10,495.30	9,665.94	10,016.32	10,109.73
2	Leave Encashment	16,102.38	14,355.53	14,360.99	16,087.04
3	Post Retirement Settlement Benefits	181.21	175.06	169.74	181.26
4	Employee Family Benefit Scheme	276.20	266.79	-	-
5	Retirement Gift	40.35	36.57	-	-
6	Long Service Award	101.83	45.68	-	-
7	LTC/LTA	62.81	60.36	-	-

**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	18.37	(19.59)
2	Increase/(decrease) on present value of post retirement benefit obligations as at 31st March, 2021	378.37	(379.27)

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

(₹ in lakhs)

Period	Gratuity	Leave Encashment
Year 1	1,200.31	1,015.68
Year 2	1,087.10	1,111.65
Year 3	740.14	811.57
Year 4	717.36	827.62
Year 5	645.17	828.28
Year 6	716.12	988.76
Next 6 years	4,957.68	9,604.63

**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	
	2020-21	2019-20
Expenses charged to Statement of Profit and Loss	1,040.33	1,038.71

**B.3** Company's Contribution payable under the Defined Pension Contribution Scheme is ₹1,630.82 Lakhs as at 31st March, 2021.

**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
M/s.Metallurgical & Engineering Consultants (Nigeria) Limited	Joint Venture Company
Board of Trustees, MECON Employees' Provident Fund and Gratuity Fund	Post Employment Benefit Plans

Key Management Personnel	
Shri Atul Bhatt	Chairman and Managing Director
Shri Pradipta Kumar Sarangi (upto 31.05.2020)	Director (Technical)
Shri Salil Kumar	Director (Projects)
Shri Rajendra Harbhagwan Singh Juneja	Director (Finance)
Shri Sanjay Kumar Verma	Director (Commercial)
Shri Arun Kumar Agrawal (w.e.f. 01.06.2020)	Director (Technical)
Shri Vijoy Kumar Singh (upto 05.11.2020)	Government Director
Smt Rasika Chaube	Government Director
Shri Shashank Priya (w.e.f. 17.12.2020)	Government Director
Shri Deepak Krishan	Independent Director
Smt Manju Chandra	Independent Director

<b>Key Management Personnel</b>	
Shri Ravi Bambha	Company Secretary
Shri H.P. Das (upto 30.11.2020)	Executive Director
Shri G. Chakraborty (upto 31.12.2020)	Executive Director
Shri C.D. Goswami (upto 31.01.2021)	Executive Director
Shri Sanjeev Kumar	Executive Director
Shri P.K. Kar (upto 30.09.2020)	Executive Director
Shri G.V. Walimbe	Executive Director
Shri A.K. Bagchi (w.e.f. 18.06.2020)	Incharge, Nagarnar office
Ms. Amita Banerjee (upto 24.07.2020)	Incharge, Bhilai office
Shri A.K. Nan (w.e.f. 23.07.2020)	Incharge, Bhilai office
Shri M. Mukhopadhyay	Incharge, Burnpur office
Shri R.N. Lal (upto 04.08.2020)	Incharge, Nalanda office
Shri Anil Kumar Jha (w.e.f. 03.08.2020)	Incharge, Nalanda office
Shri R. Iyer (upto 31.10.2020)	Incharge, Mumbai office
Shri G. Krishna Kumar (w.e.f. 01.11.2020)	Incharge, Mumbai office
Shri R.N. Kundu (upto 31.10.2020)	Incharge, Kolkata office
Ms. C. Roy (w.e.f. 01.11.2020)	Incharge, Kolkata office
Shri Kamal Sarkar (upto 30.09.2020)	Incharge, Vizag office
Shri P. Subba Rao (w.e.f. 14.09.2020)	Incharge, Vizag office
Shri Vijay Kumar Jegarkal	Incharge, Hyderabad office
Shri U.K. Viswakarma (w.e.f. 01.01.2021)	Incharge, Bangalore office
Shri R.K. Panda	Incharge, Bhubaneswar office
Shri A.K. Rao (upto 30.06.2020)	Incharge, Rourkela office
Shri Amitav Mishra (w.e.f. 29.06.2020)	Incharge, Rourkela office
Shri Sanjay Sen	Incharge, Bokaro office
Shri R.K. Bhattacharya (upto 31.10.2020)	Incharge, Durgapur office
Shri Ghanshyam (w.e.f. 19.10.2020)	Incharge, Durgapur office
Shri Subrata Samanta	Incharge, Finance
Shri S.K. Bage	Incharge, CSR
Dr. P.K. Chatterjee	Incharge, Legal & CCES
Late S. Sengupta	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	Incharge, Power Plant & Electrical Engg.
Shri S.Kumar	Incharge, GMMB
Shri Vinay Kumar Jha (upto 31.10.2020)	Incharge, FS&PD
Shri C. Mukhopadhyay (w.e.f. 23.10.2020)	Incharge, FS&PD
Shri Sanjay Kumar	Incharge, Port & Material Handling
Shri V. Kapila	Incharge, Electrical
Shri Vinod Mishra	Incharge, Non-Ferrous & Mineral Projects

Key Management Personnel	
Shri Kumud Ranjan	Incharge, Metallurgical Wing
Shri Sunil Kumar	Incharge, GL&T
Shri R. Prasad (upto 20.03.2021)	Incharge, R & D
Shri R.K. Bhattacharyya (w.e.f. 02.11.2020)	Incharge, R & D
Shri Sabyasachi Thakur	Incharge, Management Advisory Services
Late M.T. Pandian	Incharge, IT Services
Shri P.K. Das	Incharge, Marketing
Shri Sunil Kumar Verma	Incharge, Contracts
Shri K.T. Durai	Incharge, Human Resources
Shri Sundeep Sinha (w.e.f. 01.06.2020)	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 T. Moitra (upto 30.06.2020)	Incharge, Civil & Architecture
Shri J.K. Jha	Incharge, Civil & Architecture
Shri Santosh Kr. Jha	Incharge, Structural
Shri Athi Rajasekharan	Incharge, Environment Engineering
Shri A.K. Sil	Incharge, Inspection & Quality Assurance
Shri Nilanjan Ray (upto 31.12.2020)	Incharge, NMDC Project
Shri Vinay Kumar Jha (w.e.f. 01.01.2021)	Incharge, NMDC Project
Shri T.K. Biswas (upto 31.10.2020)	Incharge, SAIL Projects
Shri Joydeep Dasgupta	Incharge, Project Planning & Monitoring and SAIL Projects
Shri K.C. Padhy	Incharge, Infrastructure - Jharkhand
Shri R.N. Lal (w.e.f. 06.08.2020)	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	
		2020-21	2019-20
	Particulars		
1.	Transaction during the period	NIL	NIL
2.	Outstanding Balances as at the end of the period	NIL	NIL

(₹ in lakhs)

Sl. No.	Name of the related party	Board of Trustees, MECON Employees' Provident Fund and Gratuity Fund	
		2020-21	2019-20
	Particulars		
1.	Transaction during the period	5,202.16	2,027.67
2.	Outstanding Balances as at the end of the period	NIL	NIL

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

(₹ in lakhs)

Sl. No.	Particulars	2020-21	2019-20
1.	Short-Term Employee Benefits	<b>2,100.16</b>	150.51
2.	Post Employment Benefits	<b>1,253.17</b>	89.41
3.	Other Long-Term Benefits	<b>1,175.05</b>	91.38
4.	Termination Benefits	---	---
5.	Share-based Payment	---	---
6.	Sitting fees	<b>4.00</b>	3.90
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
13.	NLC India Limited	Central Public Sector Enterprise
14.	NMDC Limited	Central Public Sector Enterprise
15.	NTPC Limited	Central Public Sector Enterprise
16.	Oil India Limited	Central Public Sector Enterprise
17.	Oil & Natural Gas Corporation Limited	Central Public Sector Enterprise
18.	Rashtriya Ispat Nigam Limited	Central Public Sector Enterprise
19.	Steel Authority of India Limited	Central Public Sector Enterprise
20.	Uranium Corporation of India Limited	Central Public Sector Enterprise

## b) Transactions with Government-related Entities :

(₹ in lakhs)

Sl. No.	Name of the Entity	Nature of Transaction	2020-21	2019-20
<b>Rendering of Services:</b>				
1.	Bharat Electronics Limited	Revenue	99.70	150.65
2.	Bharat Petroleum Corporation Limited	Revenue	275.19	342.34
3.	Central Coalfields Limited	Revenue	127.78	4.57
4.	GAIL (India) Limited	Revenue	6,838.92	11,090.19
5.	GAIL (India) Limited	Estate Income	48.37	140.39
6.	Hindustan Copper Limited	Revenue	32.24	51.20
7.	Hindustan Petroleum Corporation Limited	Revenue	1,283.80	532.16
8.	Indian Oil Corporation Limited	Revenue	275.95	209.11
9.	KIOCL Limited	Revenue	141.39	148.97
10.	Mangalore Refinery & Petrochemicals Limited	Revenue	35.83	322.88
11.	National Aluminium Company Limited	Revenue	99.74	297.46
12.	NMDC Limited	Revenue	2,085.51	1,862.03
13.	NTPC Limited	Other Operating Revenue	-	1,694.92
14.	Oil India Limited	Revenue	302.92	248.18
15.	Oil & Natural Gas Corporation Limited	Revenue	32.77	9.11
16.	Rashtriya Ispat Nigam Limited	Revenue	540.84	2,362.63
17.	Steel Authority of India Limited	Revenue	13,309.27	6,550.40
18.	Steel Authority of India Limited	Sharing of Common Expenses	570.41	985.00
19.	Uranium Corporation of India Limited	Revenue	25,376.35	6,824.47
20.	Others	Revenue / Others	138.77	69.81
<b>Receiving of Services:</b>				
1.	Bharat Sanchar Nigam Limited	Telecommunication Charges	43.25	45.87
2.	Others	Telecommunication / Consulting / Estate Charges, etc.	44.22	213.41
<b>Amount Receivable:</b>				
1.	Bharat Electronics Limited	Trade Receivable	328.93	202.93
2.	Bharat Petroleum Corporation Limited	Trade Receivable	319.48	143.84

Sl. No.	Name of the Entity	Nature of Transaction	2020-21	2019-20
3.	Burn Standard Company Limited	Trade Receivable	<b>64.44</b>	64.44
4.	Central Coalfields Limited	Deposits Receivable	<b>150.00</b>	-
5.	Central Coalfields Limited	Trade Receivable	<b>132.35</b>	4.57
6.	GAIL (India) Limited	Deposits Receivable	<b>61.47</b>	42.72
7.	GAIL (India) Limited	Trade Receivable	<b>7,891.42</b>	8,429.30
8.	Hindustan Petroleum Corporation Limited	Trade Receivable	<b>1,112.28</b>	436.72
9.	Indian Oil Corporation Limited	Deposits Receivable	-	0.42
10.	Indian Oil Corporation Limited	Trade Receivable	<b>161.58</b>	144.72
11.	KIOCL Limited	Trade Receivable	<b>100.00</b>	131.49
12.	Mangalore Refinery & Petrochemicals Limited	Trade Receivable	<b>157.93</b>	163.39
13.	National Aluminium Company Limited	Trade Receivable	<b>117.82</b>	189.54
14.	NLC India Limited	Trade Receivable	<b>591.95</b>	591.75
15.	NMDC Limited	Trade Receivable	<b>1,893.38</b>	3,485.00
16.	Oil India Limited	Trade Receivable	<b>151.44</b>	69.49
17.	Oil & Natural Gas Corporation Limited	Trade Receivable	<b>160.39</b>	160.39
18.	Rashtriya Ispat Nigam Limited	Trade Receivable	<b>2,500.02</b>	2,599.02
19.	Steel Authority of India Limited	Trade Receivable	<b>16,656.95</b>	17,501.55
20.	Uranium Corporation of India Limited	Trade Receivable	<b>8,748.04</b>	3,167.78
21.	Others	Trade Receivable / Deposits Receivable	<b>232.96</b>	233.40

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> (27.60)	<b>313.36</b> (335.47)	<b>11.76</b> (15.15)	<b>46.14</b> (55.48)	<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	2020-21	2019-20
a)	Net Profit / (Loss) for the period attributable to Equity Shareholders (₹ in lakhs)	624.37	6,900.43
b)	Weighted average number of Equity Shares (Refer Note 21)	4,01,38,360	4,01,38,360
c)	Earnings Per Share (Basic and Diluted) (a) / (b) (in ₹)	1.56	17.19
d)	Face Value per share (in ₹)	10.00	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	
		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	<b>44,454.00</b>	22,571.65	<b>16,525.23</b>	20,227.64	<b>10,821.22</b>	13,317.97	<b>71,800.45</b>	56,117.26
b.	Intersegment Revenues	-	-	-	-	-	-	-	-
c.	Other Operating Revenue	<b>2,925.24</b>	5,549.02	<b>262.11</b>	2,395.24	<b>224.57</b>	689.95	<b>3,411.92</b>	8,634.21
	<b>REVENUE FROM OPERATIONS</b>	<b>47,379.24</b>	28,120.67	<b>16,787.34</b>	22,622.88	<b>11,045.79</b>	14,007.92	<b>75,212.37</b>	64,751.47
a.	Unallocated Interest and Other Income	-	-	-	-	-	-	<b>4,444.81</b>	4,834.72
<b>II.</b>	<b>TOTAL INCOME</b>	<b>47,379.24</b>	28,120.67	<b>16,787.34</b>	22,622.88	<b>11,045.79</b>	14,007.92	<b>79,657.18</b>	69,586.19
<b>III.</b>	<b>SEGMENT RESULTS [Profit/(Loss)]</b>	<b>(930.37)</b>	(3,121.39)	<b>2,454.20</b>	7,920.03	<b>(2,562.73)</b>	157.38	<b>(1,038.90)</b>	4,956.02
a.	Interest Income	-	-	-	-	-	-	<b>3,143.84</b>	2,936.63
b.	Non Operating Income	-	-	-	-	-	-	<b>1,300.97</b>	1,898.09
c.	Finance Costs	-	-	-	-	-	-	<b>131.59</b>	175.54
d.	Non Operating Loss	-	-	-	-	-	-	<b>0.75</b>	-
e.	Accretion / (Decretion) to Jobs-in-Progress	-	-	-	-	-	-	<b>(1,362.72)</b>	(911.80)
<b>IV.</b>	<b>PROFIT/(LOSS) BEFORE TAX</b>	-	-	-	-	-	-	<b>1,910.85</b>	8,703.40
	Income Taxes	-	-	-	-	-	-	<b>1,286.48</b>	1,802.97
<b>V.</b>	<b>PROFIT/(LOSS) AFTER TAX</b>	-	-	-	-	-	-	<b>624.37</b>	6,900.43
<b>VI.</b>	<b>OTHER INFORMATION</b>								
a.	Segment Assets	<b>44,999.37</b>	41,310.94	<b>21,931.24</b>	19,869.49	<b>10,369.33</b>	9,115.85	<b>77,299.94</b>	70,296.28
b.	Unallocated Corporate Assets	-	-	-	-	-	-	<b>68,076.77</b>	61,845.52
c.	<b>Total Assets</b>	-	-	-	-	-	-	<b>145,376.71</b>	132,141.80
d.	Segment Liabilities	<b>50,451.64</b>	43,515.11	<b>14,394.09</b>	11,291.05	<b>21,687.41</b>	12,560.54	<b>86,533.14</b>	67,366.70
e.	Unallocated Corporate Liabilities	-	-	-	-	-	-	<b>21,734.81</b>	24,950.96
f.	<b>Total Liabilities</b>	-	-	-	-	-	-	<b>108,267.95</b>	92,317.66
g.	Depreciation & Amortisation	<b>339.97</b>	381.73	<b>204.34</b>	225.99	<b>84.70</b>	114.42	<b>629.01</b>	722.14
h.	Non-Cash Expenses other than Depreciation	<b>1,145.08</b>	3,400.68	<b>383.86</b>	1,872.02	<b>697.52</b>	266.21	<b>2,226.46</b>	5,538.91
i.	Capital Employed	-	-	-	-	-	-	<b>28,668.42</b>	30,939.67

**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 2020-21, ₹38,198.41 lakhs (Previous Year ₹13,586.79 lakhs) of Company's revenues, each exceeding 10% in the "Metals" Segment, are derived from 2 (two) (Previous Year 2 (two)) external customers.

During the year 2020-21, ₹340.66 lakhs (Previous Year ₹11,006.04 lakhs) of Company's revenues, each exceeding 10% in the "Energy" Segment, are derived from 1 (one) (Previous Year 1 (one)) external customers.

During the year 2020-21, ₹120.64 lakhs (Previous Year ₹104.04 lakhs) of Company's revenues, each exceeding 10% in the "Infrastructure" Segment, are derived from 2 (two) (Previous Year 3 (three)) 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, 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>

**As at 31st March, 2020**

(₹ in lakhs)

Segment	Revenue as per Ind AS 115			Other Operating Revenue	Total as per Profit & Loss / Segment Reporting
	Domestic	Foreign	Total		
Metals	22,475.09	96.56	22,571.65	5,549.02	28,120.67
Energy	19,900.80	326.84	20,227.64	2,395.24	22,622.88
Infrastructure	13,317.97	----	13,317.97	689.95	14,007.92
<b>TOTAL</b>	<b>55,693.86</b>	<b>423.40</b>	<b>56,117.26</b>	<b>8,634.21</b>	<b>64,751.47</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, 2021	As at 31 <sup>st</sup> March, 2020
Contract Assets – Unbilled Revenue	2,190.45	635.96
Contract Liabilities (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)	3,899.14	4,055.46

- c) During the year 2020-21, an amount of ₹311.88 lakhs (Previous Year ₹1,279.86 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 31<sup>st</sup> March, 2021 is ₹14,58,025.91 lakhs (Previous Year ₹8,04,931.82 lakhs). 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 2020-21**

(₹ in lakhs)

Description	Amount
Contracted Price #	73,974.64
Less: Net impact on account of Invoices Raised but Income not accrued during FY 2020-21 due to Variable Considerations, Down Payment Invoices and other reasons	3,728.68
Add: Additions due to unbilled revenue	2,190.45
Less: Unbilled revenue accrued during FY 2019-20 but invoices raised during FY 2020-21	635.96
Revenue recognized as per Ind AS 115 during FY 2020-21	71,800.45

**# Contracted Price refers to value of Invoices raised during FY 2020-21 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. 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 2020-21, an amount of ₹323.88 lakhs (Previous Year ₹430.73 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 2020-21, an amount of ₹213.61 lakhs (Previous Year ₹246.11 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, 2021 as per Ind AS- 36.

**42.18 Disclosure on CSR:**

(₹ in lakhs)

Particulars	2020-21	2019-20
CSR Projects / Programmes, etc.	44.69	55.52
Others (including contribution to PM Cares Fund)	NIL	275.00
Total Amount Spent	44.69	330.52
Amount unspent out of prescribed allocated sum during the period	49.30	NIL

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 31.03.2021 (₹181.07 lakhs as on 31.03.2020).

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 2020-21 ₹93.99 lakhs (Previous Year ₹19.92 lakhs) is transferred from Surplus to CSR Activity Reserve. Unspent CSR amount carried forward under the head CSR Activity Reserve is ₹84.74 lakhs as on 31.03.2021 (₹35.44 lakhs as on 31.03.2020).

**42.19 Disclosure on R&D:**

(₹ in lakhs)

Particulars	2020-21	2019-20
Opening Balance of Fund	169.45	162.58
Add : Allocation / Provision made during the period	NIL	6.87
Less : Adjustment / Utilization made during the period	169.45	NIL
Closing Balance of Fund (Refer Note 16)	NIL	169.45

Necessary R&D Fund have been created debiting Statement of Profit & Loss and R&D expenses have been debited to R&D Fund in line with DPE guidelines issued from time to time as applicable. Subsequent to withdrawal of the DPE guidelines, the unutilized balance of ₹169.45 lakhs, in the R&D Fund, is written back.

**42.20** 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 31.03.2021	As at 31.03.2020
(a)	Amount remaining unpaid to any supplier:		
	- Principal Amount, remaining unpaid	5,249.48	3,670.60
	- 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.	----	----

Sl. No.	Particulars	As at 31.03.2021	As at 31.03.2020
(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.	----	----

**42.21** 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.

**42.22** Wage revision is due for non-executive employees w.e.f. 01.01.2017. During the year 2020-21 provision has been made for ₹149.00 lakhs (cumulative provision ₹270.77 lakhs) (Previous Year ₹24.65 lakhs (cumulative provision ₹121.77 lakhs)) towards wage revision in respect of non-executive employees, based on estimate and information as available, etc.

**42.23** 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, provision for pay revision in respect of executive employees is made during the year 2020-21 for ₹1,803.60 lakhs.

**42.24** 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.

**42.25** During the year, the Company has recognized an amount of ₹63.97 lakhs as Other Operating Income towards liquidated damages recovered / withheld from vendors, where delay is solely attributable to the vendors as per the terms of the contract.

#### **42.26 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, 2021)	0-12 months	12-24 months	24-36 months	More than 36 months	Total
Gross carrying amount	30,660.15	7,539.53	3,713.00	18,224.98	60,137.66
Expected credit loss provision	708.25	174.16	85.77	9,957.50	10,925.68
Carrying amount of trade receivables (Net of impairment)	29,951.90	7,365.37	3,627.23	8,267.48	49,211.98

Ageing (As at 31 <sup>st</sup> March, 2020)	0-12 months	12-24 months	24-36 months	More than 36 months	Total
Gross carrying amount	30,610.54	7,153.73	4,691.33	14,189.88	56,645.48
Expected credit loss provision	734.65	171.69	112.59	9,318.56	10,337.49
Carrying amount of trade receivables (Net of impairment)	29,875.89	6,982.04	4,578.74	4,871.32	46,307.99

**Reconciliation of Expected Credit Loss Provision**

(₹ in lakhs)

Particulars	Amount
As at 31 <sup>st</sup> March, 2020	10,337.49
Changes in provision	588.19
As at 31 <sup>st</sup> March, 2021	10,925.68

**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 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
<b>Financial Assets</b>						
Investments	--	--	--	--	<b>11.92</b>	11.92
Trade Receivables	--	--	--	--	<b>49,211.98</b>	46,307.99
Loans	--	--	--	--	<b>1,270.33</b>	1,087.11
Cash & Cash Equivalents	--	--	--	--	<b>10,460.48</b>	2,194.26
Other Bank Balances	--	--	--	--	<b>52,703.10</b>	37,100.79
Other Financial Assets	--	--	--	--	<b>5,336.57</b>	8,916.88
<b>TOTAL</b>	--	--	--	--	<b>1,18,994.38</b>	95,618.95
<b>Financial Liabilities</b>	--	--	--	--		
Borrowings	--	--	--	--	--	--
Trade Payables	--	--	--	--	<b>19,587.66</b>	16,795.44
Other Financial Liabilities	--	--	--	--	<b>37,810.28</b>	33,195.56
<b>TOTAL</b>	--	--	--	--	<b>57,397.94</b>	49,991.00

**42.27 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 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20	As at 31.03.21	As at 31.03.20
Investment (Current) - Investment in Mutual Funds	NIL	NIL	----	----	----	----	NIL	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.

#### 42.28 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.

Prolonged lock-down due to COVID-19 pandemic has affected deployment of resources & performance obligations on contracts with customers, resulting in impact on future revenue recognition.

For the leases that the Company has entered with the lessors at different geographical locations in order to successfully execute the projects, the Company does not foresee changes in terms of those leases expected due to the COVID-19.

**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 Recent pronouncements on amendments in Schedule III to the Companies Act, 2013

Ministry of Corporate Affairs ("MCA") through a notification amended Schedule III of the Companies Act, 2013 effective from 1<sup>st</sup> April, 2021. The amendments revise Division I, II and III of Schedule III. Key amendments relating to Division II which the Company is required to comply with Companies (Indian Accounting Standards) Rules 2015 in its financial statements as applicable are:

##### **Balance Sheet:**

- a) Lease liabilities should be separately disclosed under the head 'Financial Liabilities', duly distinguished as current or non-current.
- b) Certain additional disclosures in the Statement of Changes in Equity such as Changes in Equity Share Capital due to prior period errors and restated balances at the beginning of the current reporting period.
- c) Specified format for disclosure of shareholding of promoters.
- d) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- e) If a Company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- f) Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

##### **Statement of Profit and Loss:**

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone 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
1. Latest audited Balance Sheet Date	For the year ending on 31.12.2014
2. Date on which the Joint Venture was associated or acquired	28.10.1982
3. Shares of Joint Ventures held by the company on the year end	
No.	5000
Amount of Investment in Joint Venture	₹ 7.60 lakhs
Extent of Holding %	50%
4. Description of how there is significant influence	Majority of the members of the Board of M/s Metallurgical & Engineering Consultants (Nigeria) Limited are also Directors / Senior Managerial Personnel of MECON Limited.
5. Reason why the associate/joint venture is not consolidated	Consolidation is not applicable for Joint Venture company.
6. Networth attributable to Shareholding as per latest audited Balance Sheet	(-) ₹309.94 lakhs (50%)
7. Profit / Loss for the year	(-) ₹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)**  
GENERAL MANAGER  
I/C (FINANCE)

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

Sd/-  
**(ATUL BHATT)**  
CHAIRMAN and  
MANAGING DIRECTOR

Place : Ranchi

Date : 27.08.2021

UDIN : 21417169AAAAIX7935

## GLIMPSES OF CSR ACTIVITIES



Distribution of Nutritional Supplements to the Children at Village – Rupru, Block – Angara, District – Ranchi, (Jharkhand)



Distribution of Blankets to Old People of Village – Sungi, Block – Karra, District – Khunti, (Jharkhand)



Handing over of Blankets to Ranchi District Administration for the Program “Ranchi Cares – Mission 1 Million Smiles” for distribution to Poor/Down-trodden people of Ranchi (Jharkhand)



Visit of MECON's CMD and Directors during the Annual Examination of Stitching Training Centres held at Community Hall, Mecon Township, Ranchi (Jharkhand)



Providing Vehicle to Jharkhand Parents Association, Ranchi for Facilitation of Conveyance of Divyangs to “KOSHISH” – A special School-cum-Vocational Training Centre (Jharkhand)



Inauguration of Hostel at Orphanage - “Anmol Basera”, Village- Sungi, Block Karra, District – Khunti (Jharkhand)



‘Cleanliness Drive’ under Swachhata Pakhwada Campaign in Adopted Village – Sungi, Block – Karra, District – Khunti (Jharkhand)



Free Health Check-up Camp alongwith distribution of Medicines to the Poor and Needy Patients of Village – Rai, District - Khunti (Jharkhand)



# मेकॉन लिमिटेड

(भारत सरकार का संस्थान)

## MECON Limited

(A GOVT. OF INDIA ENTERPRISE)



### Head Office

Vivekananda Path, Doranda, Ranchi - 834002, Jharkhand, India  
CIN No. - U74140JH1973GOI001199  
[www.meconlimited.co.in](http://www.meconlimited.co.in)

### For Business Enquiry

Chief General Manager (Marketing)  
Phone : +91-651-2483101, Fax : +91-651-2482214/ 2482189  
E-mail: [marketing@meconlimited.co.in](mailto:marketing@meconlimited.co.in)

### Major Offices

City	Phone	Fax	e-mail
Bangalore	+91-80-26252000	+91-80-26576352	<a href="mailto:bangalore@meconlimited.co.in">bangalore@meconlimited.co.in</a>
New Delhi	+91-11-22041872	+91-11-22041214	<a href="mailto:delhi@meconlimited.co.in">delhi@meconlimited.co.in</a>

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