



50th Annual Report

2022-23



मेकॉन लिमिटेड

(भारत सरकार का संस्थान)

MECON LIMITED

(A Govt. of India Enterprise)



MECON Limited celebrated National Organ Donation Day by organizing an Interactive Session on importance of Organ Donation by Dr. Anwar Shahab and Pledge Taking Ceremony. ED(Comm.) and CGM(CMS) administered the Organ Donation Pledge in Hindi & English respectively.



MECON Mining Experts participated in Jharkhand Mining Summit and briefed about Challenges, Opportunities and MECON's Role in unlocking Mining Potential of Jharkhand.



MECON participated as 'Silver Sponsor' in 13th International MMMM Conference 2022, held during 25th-27th Aug. at New Delhi, inaugurated by HSM Shri Jyotiraditya Scindia. In Technical sessions, senior officials of MECON presented papers on Mining & High Pellet Charging Blast Furnace



MECON participated in Conference on 'Emerging Trends in Innovative & Sustainable Business Practices' at Sarala Birla University, Ranchi, wherein CGM(CMS) discussed the role of Sustainable Development in changing perspectives of Millennial Employees & informed MECON's contributions towards Sustainable HRM.

VISION

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

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

MISSION

Vision

Mission



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



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



Shri N.N. Sinha
Secretary to Gol,
Ministry of Steel

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



LEADERSHIP AT MECON



Shri Ajit Kumar Saxena
Chairman and Managing Director (Addl. Charge)



Smt. Sukriti Likhi, IAS
Government Director



Dr. Sanjay Roy, IIS
Government Director



Shri S. K. Verma
Director (Commercial)



Shri Mukesh Kumar
Director (Finance)



Shri Amit Raj
Director (Technical)



Shri P. K. Dixit
Director (Projects)

CORPORATE INFORMATION

COMPANY SECRETARY*

Shri Sudesh Kumar Rathi

FINANCE INCHARGE

Shri S. Samanta

BANKERS

Union Bank of India

State Bank of India

Punjab National Bank

Bank of India

Indian Overseas Bank

HDFC Bank

Axis Bank

ICICI Bank

STATUTORY AUDITOR*

M/s K. Pandeya & Co.
Chartered Accountants,
102, Shahdeo Enclave,
Near T.V. Tower,
Aryapuri, Ratu Raod,
Ranchi - 834001
(Jharkhand)

REGISTERED OFFICE

Vivekanand Path, Doranda
Ranchi - 834002
Jharkhand, INDIA
Website : www.meconlimited.co.in
CIN : U74140JH1973GOI001199

* As on the date of AGM

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CHAIRMAN'S SPEECH



Dear Fellow Shareholders,

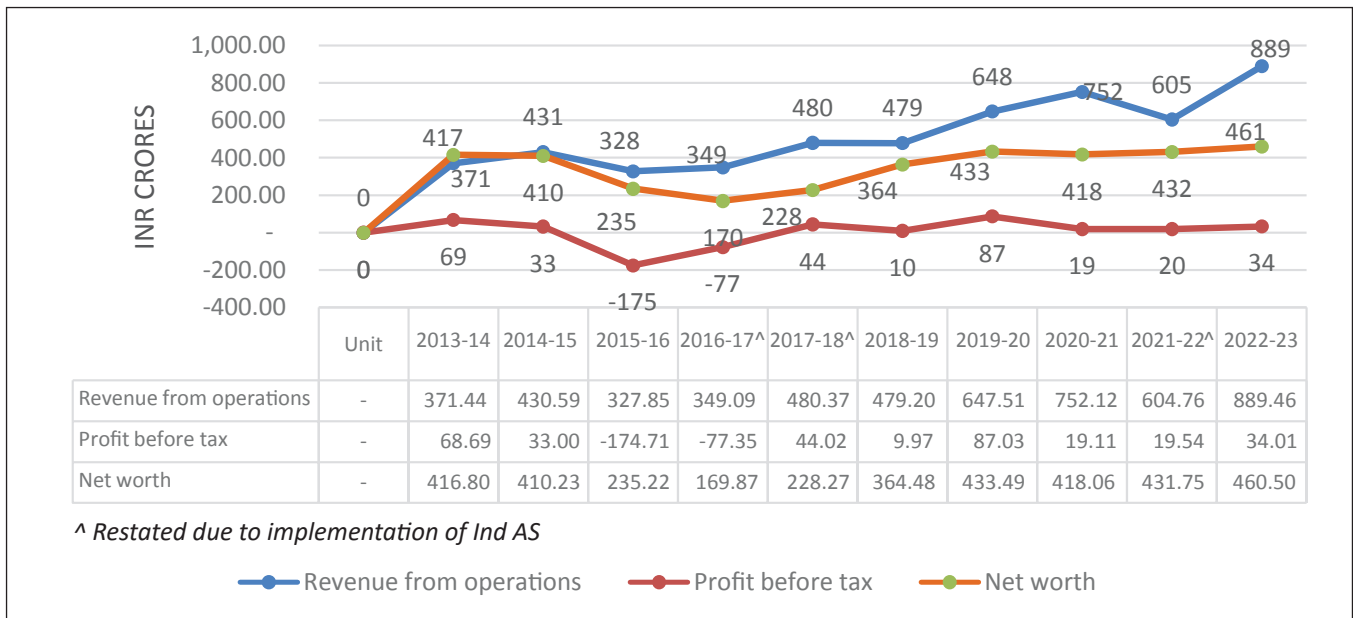
On behalf of the Board of Directors of MECON, I welcome you all to the 50th Annual General Meeting of your Company.

The Directors' Report and the Audited Accounts for the year ending 31st March, 2023 alongwith 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.

The third decade of the twenty-first century witnessed various challenges that hit global growth; causing inflation, disrupting supply chains, and soaring prices of essential commodities among others. The past fiscal year brought its own set of challenges – COVID-19 related disruptions in economies still persist. The Russia-Ukraine conflict that broke out in February 2022, caused the world economy to face almost as many disruptions as it faced in the two-year timespan of COVID-19.

Physical and Financial Performance

In the face of these challenges, your Company has forged ahead with its two-pronged strategy of charting a growth trajectory while maintaining a robust bottom line through careful identification of profitable areas of growth and adopting a more dynamic approach to business, based on focused strategic planning and project execution. I am delighted to inform that this approach has begun to show positive results with a record-breaking Rs 889.46 Crores registered as Revenue from Operations this fiscal—a growth of around 47% over the last fiscal and the highest recorded in the history of your Company's existence. Profit Before Tax of Rs 34.01 Crores – an enhancement of 74% over the last fiscal, has ensured continued profitability of your Company. Your Company's Net worth has increased to Rs 460.50 Crores and a Dividend of Rs 9.30 Crores for the fiscal has been declared.



Despite the difficult business environment and tough competition, your Company secured new business worth **Rs 235.29 Crores**.

Some of the significant projects bagged are :

- EPMC services for implementation of Small-Scale NG Liquefaction Plant at Vijaipur and Pata for GAIL (I) Ltd.
- Preparation of DPR for expansion of Integrated Steel Plant at Kalinganagar for Tata Steel Limited
- Project Management Consultancy and Supervision for Costruction of projects including Civil, Electrical & Mechanical in Central University, Jammu
- Engineering, Procurement & Construction Management services for 160 KTPA Zinc Roaster at Debari, Udaipur, Rajasthan for Hindustan Zinc Limited, Debari, Udaipur
- Engineering & Consultancy services for 2x8 MTPA Pellet Plant with 30 MTPA Filtration Unit for JSW Utkal Steel Limited, Paradeep.

Some of the noteworthy projects under execution/ commissioned during the year are :

• **Projects of Floating Jetty and Conversion Diesel/Petrol boats to CNG**

Your Company is offering its Engineering and Project Management Consultancy (EPMC) Services for M/s GAIL for CNG Dispensing Station on first-of-its-kind Floating Jetty and conversion of 500 nos. of Diesel/Petrol boats to CNG. These projects were inaugurated by Hon’ble Prime Minister of India at Varanasi.

• **Pradhan Mantri Urja Ganga Project**

Your Company is rendering PMC services for Bokaro-Angul section (533 KM) (Part of Prestigious Pradhan Mantri Urja Ganga Project) of Jagdishpur-Haldia-Bokaro-Dhamra pipeline (JHBDPL) of GAIL, which was dedicated to Nation by Hon’ble Prime Minister.

• **PLI scheme for Specialty Steel**

It is a matter of great pride for your Company to have been assigned by Ministry of Steel to take on the mantle of Project Management Agency (PMA) for implementation across the nation, the PLI Scheme for Speciality Steel, formulated under the aegis of Ministry of Steel.

The PLI scheme for specialty steel has been successful in encouraging a committed



investment of around Rs. 29,500 Crore, with an additional capacity creation of approximately 25 million tonne of value-added steel and expected to generate approximately 18,000 direct employments in the country.

- **Operation & Maintenance services of Integrated Steel Plant**

Your Company's maiden venture into Operation & Maintenance (O&M) services of Integrated Steel Plant (ISP) with job from NMDC for their 3.0 Mtpa ISP at Nagarnar is progressing in full swing with planning and deployment of balance manpower for Pre-Commissioning, Commissioning, achieving Rated Capacity and subsequent O&M. The Scale and magnitude of recruitment and deployment effected while preserving effective recruitment metrics has validated our expertise, competence and commitment in projects undertaken.

- **Project for installation of 380m³ (Working Volume) Blast Furnace(BF), 75 m² Sinter Plant and 4 LTPA DIP Plant at Anjar, Gujarat for WELSPUN METALLICS**

Your Company has provided complete know-how & technology, from concept to commissioning of BF complex and it is one of the most modern BF in this segment, equipped with latest technology. This is a milestone project for your Company, wherein, the BF is the first in the country, in this segment, to be equipped with copper stove coolers with soft water closed circuit cooling system and also to have refractory-less design from bosh to throat region. The plant has been commissioned and BF operation is smooth & efficient with high productivity and low fuel rate thereby reducing carbon footprint of the process and consequently less polluted environment.

- **Installation of 0.88 MTPA Coke Oven Complex in 3.0 MTPA Integrated Steel Plant at NSL/ Nagarnar, Chattisgarh**

Your Company provided Consultancy and Project Monitoring & Construction Supervision of COB #1 & 2 each of 7M height along with Coke Dry Cooling Plant (CDCP) in this project. All the Batteries are equipped with Pollution Control Measures to reduce SO_x/NO_s gas emission in environment. The Coke Oven Batteries have been commissioned.

Almost entire supplies for this project have been sourced from India in the spirit of "AtmaNirbhar Bharat".

Your Company believes that it is adoption of new technologies that will ultimately boost sustainable growth in the Company and that employees must engage in enhancement and reinforcement of technological skills and competencies. Your Company's continuous stride towards technological excellence is further corroborated with grant of the following patents during FY 2022-23:

1. For invention of 'Continuous Multi Component Gas Analyzer using Non-Dispersive Infra-Red (NDIR) Method'. The developed system is useful for the measurement of concentration of Gaseous Pollutants CO, CO₂, NO_x (NO, NO₂), SO₂.
2. For invention of '49.8 M³ hot volume Coke Oven Battery with PLC Controlled Hydraulic Reversing Winch for auto change over'. This module of battery is designed for production upto 1 MTPA of gross coke.

Environment Management

Significant engineering efforts have been put in to achieve near Zero Liquid Discharge for Steel Plants projects being executed. At present, Zero



Liquid Discharge (ZLD) scheme of Integrated Steel Plant at NMDC, Nagarnar is under execution. Consultancy services for Sewage Treatment Plant and recycling of treated sewage water of Steel township of Rourkela Steel Plant for use in their Steel Plant and for Zero Liquid Discharge for Rourkela Steel Plant are also under progress.

Consultancy services were also provided for installation of Biological Oxidation and Dephenolisation (BOD) Plants for degradation of Coke Oven effluents, Sewage Treatment Plants alongwith sewage lift pump houses and for Continuous Ambient Air Quality Monitoring System for NMDC Nagarnar.

Your Company is also executing prestigious assignments of preparing EIA-EMP reports for Nuclear Power Corporation of India Limited (NPCIL) Mahi Banswara Rajasthan Atomic Power Project, KKNPP 1, 2 & NSDF Tamil Nadu and Rawatbhata, Rajasthan. Our Environmental Engg. Laboratory, is recognized under Environment Protection Act, 1986 CPCB and certified by TUV NORD for ISO 45001 – 2018 and by QCI-NABET.

A 60 kWp Grid interactive roof top Solar Power Plant was commissioned at MECON H.O. during the FY 2022-23. The plant will generate around 80,000 kWh energy yearly. With this, total solar installed capacity at MECON H.O. is 140 kWp.

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. Your Company's primary thrust covers a wide spectrum of activities including education, healthcare, women empowerment, community development and upgrade of infrastructural facilities in the selected villages of Jharkhand

which are in the Aspirational Districts as identified by Government of India.

During FY 2022-23, your Company, in addition to the Regular CSR Programs, has worked towards the Government's Annual theme of "Healthcare & Nutrition, with Special Focus on COVID related measures including Setting-up Makeshift Hospitals and Temporary COVID Care facilities".

Corporate Governance

Your Company remains committed to good corporate governance and ethical practices. This year 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

To conclude, I 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.

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 50th Annual Report on the operations of the Company and the Statements of Accounts for the Financial Year ended on 31st March, 2023. The Report of the Statutory Auditors' on the Financial Statement of the Company for the F.Y. ended 31st March, 2023 and the comments of the Comptroller and Auditor General of India (C&AG) under Section 143(6)(b) of the Companies Act, 2013 on the Financial Statement of the Company for the F.Y. ended 31st March, 2023 alongwith Management's replies there on are annexed to this Report.

1. PHYSICAL PERFORMANCE

During the F.Y. 2022-23, your Company has achieved highest ever turnover in the history of MECON while maintaining profitability for the year. 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 solution to its clients across the world.

The Company has been relentlessly endeavoring to venture into a new business vertical of Operation and Maintenance of Integrated Steel Plant. This will profoundly augment the existing knowledge base and domain expertise of the Company. Consistent efforts and focus would be imperative to consolidate its presence in the diversified business verticals in the coming years.

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

Metals Sector

- Commissioning of Battery of height 5M and coke production capacity 0.55 MTPA under Rebuilding of Coke Oven Battery No. 8 of SAIL/Bokaro Steel Plant, Bokaro has been successfully completed on 09.12.2022. The project has been executed on turnkey mode.



- Commissioning of Battery No. 1 of height 7M and coke production capacity 0.88 MTPA along with CDCP for NMDC Limited at Nagarnar under the installation of 3.0 MTPA Integrated Steel Plant has been successfully completed on 28.10.2022. The project was executed on DEC & PMC mode. The heating-up and commissioning of Battery was done with LPG system.



- Commissioning of By-product Plant having coke oven gas processing capacity of 100000 Nm³/hr for NMDC Limited at Nagarnar under the Installation of 3.0 MTPA Integrated Steel Plant successfully completed on 28.10.2022. The project was executed on DEC & PMC mode as well as completion of balance job on cost plus basis.



- Preparation of Revised Feasibility Report for Tar Distillation Plant-1 of CO & CCD of SAIL/Bhilai Steel Plant, Bhilai for processing of 100,000 ton of crude tar per annum has been successfully completed.
- Heating-up of Battery No. 2 of height 7M and coke production capacity 0.88 MTPA for NMDC Limited at Nagarnar started on 19.11.2022 and the under firing of the Battery was done on 06.03.2023. The battery heating was started with LPG system and the under firing was done with Coke Oven Gas system.
- Final Acceptance Certificate for installation of Quenching System (Pkg.-3) for Rebuilding of Coke Oven Battery No.8 of SAIL/Bokaro Steel Plant, Bokaro has been received on 22.03.2023 from SAIL/BSL.



- Commissioning Certificate for Battery under Rebuilding of Coke Oven Battery No. 8 of SAIL/Bokaro Steel Plant, Bokaro has been received on 24.03.2023 from SAIL/BSL.



- Your Company is providing Detailed Engineering & Consultancy services and providing solutions for integration of existing units with new units coming under 13-18 MTPA expansion project at JSW Steel, Vijayanagar works. The layout integration, completing common facilities and all other infrastructure facilities are going on in full swing and expected to be completed by end of FY 2023-24.
- Jindal Vijayanagar Metallics Limited (JVML), Vijayanagar works expansion project is in the process of implementing its Raw Material Handling Plant, new 5339m³ Blast Furnace complex, 3x600 tpd Lime Calcination plant, Steel Melting Shop with 2x350T BOF & LHF, 2x2250 wide Twin Strand Slab Caster (with provision of 1 caster in future), 1 x RH, 1 x KR and other inter-plant facilities. Your Company is providing Detailed Engineering & Consultancy services for these units and is expected to be commissioned in FY 2023-24. These units are engineered for optimum utilization of land and its contour.
- JSW Steel Limited, Dolvi Works has entrusted your Company for providing Detail Engineering & Consultancy Services for installation of 80 T/hr Coal Pulverization System for their Blast Furnace#1. The Project is under execution.
- M/s Bengal Energy Limited, Kharagpur, West Bengal has entrusted your Company for providing technology, know-how, Design, Engineering & Consultancy services for installation of 320 m³ (WV) BF Complex, 60 m² Sinter Plant in their Kharagpur plant. The Furnace is under commissioning.
- Your Company is providing Detailed Engineering & Consultancy services for optimum utilization of resources and for maximizing hot metal production through augmentation of Raw Material handling and material feeding system to Blast Furnace # 1&2 at JSW Steel Limited, Vijayanagar Works. The project is under execution.

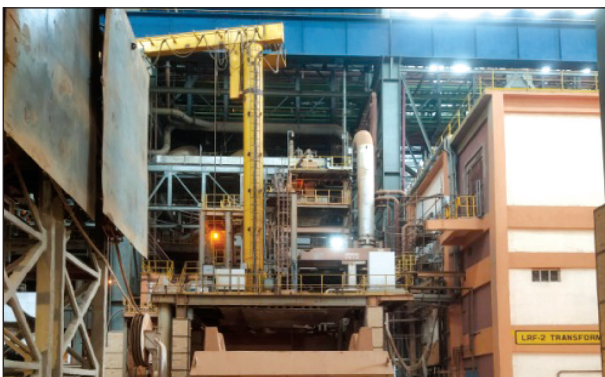


- JSPL has entrusted your Company for providing concept to commissioning services for upgradation of their existing pulverised coal injection system of Blast Furnace No. 1 of 686 m³ at their Raigarh works for higher PCI rates of 250 Kg/THM. The project is under execution.
- M/s Jindal Steel Odisha Limited, Angul has entrusted your Company for vetting of engineering for one of the India's largest twin Blast Furnaces each having useful volume of 5499 m³. The project is under execution.
- Your Company is providing technology, know-how, concept to commissioning services to M/s Jai Balaji Industries Limited for installation of a new Blast Furnace of 305 m³ (WV) at Durgapur, West Bengal. The plant is under commissioning.
- M/s Jai Raj Ispat Limited has entrusted your Company for providing indigenous technology, know-how, design, engineering and consultancy services for installation of 380 m³ (UV) BF complex, 75 m² Sinter Plant at Kurnool, Andhra Pradesh. The project is under execution.
- Your Company is providing Detail Engineering & Consultancy services to JSW Utkal Limited for setting up 2 x 8 MT Pellet Plant with 30 MT Filtration unit at its new Odisha plant. The project is under execution.
- Your Company has submitted Techno-Economic Feasibility Report to Tata Steel Long Products Limited for up-gradation of MBF#1 facilities for 1050 TPD hot metal production at Jamshedpur plant.
- Your Company also provides special engineering services and customized solutions. Recently Jindal Saw Limited entrusted your Company for providing technical know-how for checking and subsequent corrective solutions for mis-alignment of Bustle main & goose neck and BF shell thickness variations for BF#1.
- The technology up-gradation is one of the area where your Company also works through which productivity of the BF can be improved. One of such upgradation of Hot Blast Stoves is being carried out for which your Company is providing Detail Engineering & Consultancy services to JSW Steel, Dolvi works at their BF#1 plant.
- On successful working of maiden Blast Furnace designed and commissioned by your Company, SLR Metaliks, reposing faith, again entrusted MECON to provide concept to commissioning services for installation of second 262 m³ BF complex at their existing plant at Bellary, Karnataka.
- Your Company is submitting Feasibility Study Report for increasing blast volume to achieve improved plant parameters and facilities of MBF#3 at Vedanta Limited, Goa. This report shall highlight the requirements for increased production and improved operating parameters and identifies upgradation areas of BF complex for utilizing higher blast volume. The study report also emphasizes on Capex requirements and Payback period.
- 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.
- Your Company also provides special engineering services for customized solutions and recently Jindal Saw Limited entrusted for providing know-how for checking of mis-alignment of Bustle main & goose neck and BF shell thickness measurement of BF#1 and modification of BF top structures charging conveyors, modified tuyere stock assembly installation, Fixed throat armour and relocation of 14 metre platform in BF #2 Complex. The project is under execution.
- Integrated Steel plant of JVML New SMS-Expansion from 13 MTPA to 18 MTPA at

Toranagallu, Bellary, (Karnataka) is under progress. JSW Steel Limited entrusted MECON to provide design, engineering & consultancy services for the proposed expansion to 18 MTPA covering the units/facilities for Phase-I of the New Steel Melt Shop. The project is under execution.



- The individual trial and testing of equipments of the BOF Shop of 3.0 MTPA Integrated Steel plant of NMDC at Nagarnar (Chhattisgarh) is under advance stage and the BOF Shop is gearing up for integrated trial run and hot commissioning soon.



- MECON is rendering Consultancy & Design Engineering services for the expansion project of Jindal Stainless Limited (JSL) at Duburi, Odisha. JSL, Duburi is planning to increase its liquid steel production capacity by 2.0 MTPA to achieve up to 3.4 MTPA through installation of the proposed new facilities. The project is under execution.
- Design, Engineering and Consultancy services for installation of Steel Slag Processing and Metal Recovery Plant (MRP) for South West Mining Ltd., Vijaynagar is under progress.

- Design, Engineering and Consultancy services for conversion of 1x3 strand Beam Blank Caster to 3 strand Bloom cum Beam Blank Caster in SMS#3 of SAIL/Bhilai Steel Plant (BSP). BSP entrusted MECON for Design Engineering and Consultancy services for addition of Bloom casting facilities in the upcoming 3 strand Beam Blank Caster in SMS#3 of BSP. Overall engineering work has been completed and the project is under execution.

- Centralized Zero Liquid Discharge Plant of NSL, Nagarnar has been successfully commissioned on 12.03.2023. Total capacity of the plant is 180 m³/hr with evaporator plant of 28 m³/hr. The plant consists of collection of effluents from various units of steel plant, primary treatment, tertiary treatment and evaporator system to achieve zero liquid discharge concepts.



- Sewage Treatment Plant under implementation of Zero Liquid Discharge at SAIL/Rourkela Steel Plant, Rourkela has been successfully commissioned on 12.10.2022 and Performance Guarantee Certificate issued on 04.03.2023.





- Balance work for External Water System for Mills and Fire Water pump houses at SAIL/Bhilai Steel Plant under 7.0 MTPA Expansion Project has been completed. Final Acceptance Certificate (FAC) has been issued to the Contractor by SAIL/BSP under the consultancy assignment entrusted to MECON.
- Installation of New Coke screening Building, Modification of Stock House Conveyors and addition of Bunker for Charging Center Coke and Augmentation of Dust Extraction system for Entire Stock House for JSW Steel Ltd., Dolvi has been successfully completed.
- Retrieval of High Grade Iron Ore from Yard and Supply to Pellet Plants 1,2,3 bypassing beneficiation plant for JSW Steel Ltd., Toranagallu has been successfully completed.
- Unloading and feeding of Coal and Coke Product Handling for NMDC Limited has been successfully completed.
- Integrated trial run of BF Slag Route & LDCP Supply Route for NMDC Limited has been successfully completed.
- Your Company has submitted Techno Economic Feasibility Report (TEFR) for setting up of 2.0 LTPA Alloy Steel Plant at Sandur, Bellary, Karnataka for Minera Power & Steel Private Limited (MPSL).
- Your Company has submitted Techno-Economic Feasibility Report for setting up of new steel making and rolling mill facilities in their existing plant Uttam Galva Metallica Limited (UGML) at Wardha, Maharashtra for M/s. Evonith Metallica Limited.
- Techno-Economic Feasibility Report (TEFR) for 7 MTPA Integrated Steel plant at Paradeep, Odisha for Arcelor Mittal Nippon Steel India Ltd. has been successfully prepared and submitted.
- Detailed Engineering & Consultancy services for Rerouting of Natural Gas Pipeline on Product Conveyor in Pellet Plant for Arcelor

Mittal Nippon Steel India Ltd, Paradeep has been successfully completed.

- Your Company as an environmental consultant for Resource Concentrate Private Limited (RCPL) had successfully obtained Environmental Clearance (EC) for the proposed 3.2 MTPA pellet and 3.6 MTPA Pellet Feed cum Beneficiation Plant at Somalapura Village, Sandur, Bellary, Karnataka
- Your Company is providing Engineering & Consultancy services to JSW Toranagallu under 13 MTPA Expansion for Production Augmentation projects in SMS-I, SMS-II & LCP. The scope of work includes the SMS shop expansion, RH Degasser, LHF#4 & other Auxiliary units. The Engineering of the Package as per the scope is completed and JSW has issued the completion certificate.



Mining Sector

- Techno-Economic Feasibility Report (TEFR) for Installation of Iron Ore Beneficiation Plant at Jiling-Langolota Mines for Odisha Mining Corporation (OMC) Limited has been submitted.



- Techno-Economic Feasibility Report (TEFR) for setting-up Iron Ore processing Plant for Rengalbeda (NE) Iron Ore Block for Odisha Mineral Exploration Corporation Limited has been submitted.



- Preparation and obtaining approval for review of Mining Plan along with PMCP from Indian Bureau of Mines for Rajhara Hills Lease of SAIL/Bhilai Steel Plant, Bhilai been completed as per guidelines of Indian Bureau of Mines.



- Report on claim settlement has been successfully prepared and submitted to

Uranium Corporation of India Limited for review of various Claims of M/s SMS Limited for closure of contract with UCIL pertaining to Tummalapalle Mines.



- Uranium Corporation of India Limited has entrusted MECON to prepare and submit Techno-Economic Feasibility Report (TEFR) for setting up of Tailing disposal / impoundment facility through dry stacking method for its existing 3000 TPD and proposed additional capacity-of 1500 TPD at Tummalapalle, A.P. The TEFR has been successfully prepared and submitted to UCIL.

Power Sector

- Consultancy services for preparation of Concept Report and modified Plant layout for Expansion Project of coal gasification complex at JSPL, Angul has been successfully completed.
- Consultancy services for preparation of revised feasibility report with revised cost estimate for 1x250 MW Bithnok thermal power project at Bithnok, Rajasthan for NLC India Limited has been successfully completed

Oil & Gas Sector

- Your Company has provided Engineering and Consultancy services for the Modernization of Indian Oil Corporation Ltd. (IOCL's) Lube Blending Plant at Paharpur of Kolkata State. The plant has been successfully commissioned and completion certificate issued by IOCL.



- Your Company has successfully prepared and submitted the Detailed Feasibility Report (DFR) for setting up of 50 MW Green Hydrogen Plant for Indraprastha Gas Limited. This was the first report by your Company on Hydrogen Generation Plant for blending in Natural Gas network.



- Your Company as technical advisor successfully conducted the Due Diligence for JERA Sumitomo Corporation, Japan for City Gas Distribution Business in 4 geographical areas in order to support the client in evaluating investment value from technical perspective.



- Your Company is executing Country's first Small-Scale Natural Gas Liquefaction Plant at Vijaipur and Pata for GAIL India Limited wherein piped Natural Gas is converted into LNG at -156°C along with LNG Storage, Loading Facility, LNG Dispensing Unit with all necessary facilities.



- Your Company has successfully completed the Asia's longest and World's 4th longest HDD crossing of 4080 metres on 21st April 2023 (from Jorhat to Majuli in Assam) at Brahmaputra River while working as PMC for the North East Gas Grid Project (NEGG) of Indradhanush Gas Grid Ltd. (IGGL), Guwahati (a JV Company of GAIL, IOCL, ONGC, OIL & NRL). With the aforementioned historic accomplishments, MECON can now boast of being the only indigenous Design, Engineering & Project Management Consultancy Organization with experience of executing long (~ 4000 m) river crossings by HDD.



- Your Company has successfully completed the installation of a length of 3600 meters of pipeline of 24" diameter across Subhansiri River in Assam by Horizontal Directional Drilling (HDD). This was executed for Indradhanush Gas Grid Limited (IGGL). Your Company has provided services as the Project Management Consultant (PMC) as part of project to extend the Pradhan Mantri Urja Ganga (National Natural Gas grid) to the North Eastern states of India.



- Successful commissioning of VDPL Dharmapuri Terminal for Hindustan Petroleum Corporation Ltd. has been accomplished on 31.8.2022 subsequent to receipt of OISD clearance on 27.8.2022 & subsequent to PESO approval. VDPL POL terminal spread over 125 acres of land surrounded by greenery & hills. It is one of the most beautiful & biggest terminals, designed, engineered & executed by MECON team of dedicated engineers after getting the land in October 2020.



Infrastructure Sector

- National Institute of Homoeopathy, Narela, New Delhi has been successfully inaugurated and dedicated to the Nation by Hon'ble Prime Minister of India on 11th December, 2022.



- SAIL/Bokaro Steel Plant, Bokaro has entrusted your Company for preparation of Land Utilization Study Report of Slag dump area for Expansion of Bokaro Steel Plant including magnetic & electrical resistivity survey, Study of Slag Deposits for possible metal recovery, removal or spreading of slag. Your Company has successfully completed the field tests and report is under progress.
- Your Company has successfully completed 'Engineering Consultancy services' for Phase II Structures of Integrated Chemical Plant of Nuclear Recycle Board, BARC, Tarapur.
- Indian Coast Guard is setting up its Academy at Mangalore, for this MECON is appointed as a Consultant for Detailed Engineering & PMC services, work involves preparation of a Detailed Project Report (DPR), preparation of Tender documents along with technical specification and cost Estimation. Detailed Project Report along with detailed drawings is submitted to ICG, DPR is put up to Ministry of Defense (MoD) for administrative approval in August 2022.
- Your Company as an environmental consultant for Indian Coast Guard Academy has successfully obtained Environmental & Coast Regulation Zone clearance for (EC & CRZ clearance) for Infrastructure Development at,



Kenjaru village, MangaluruTaulk, Dakshinaa Kannada district, Karnataka.

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

2. INDIAN ASSIGNMENTS

Your Company has procured following major work orders during the F.Y. 2022-23:

Metals Sector

- Project Management Agency (PMA) for implementation of Production Linked Incentive (PLI) Scheme for Ministry of Steel, Govt. of India.
- Engineering & Project Management Consultancy services for installation of Downhill Pipe Conveyor System for transportation of Iron Ore from mine head to railway siding at Subbarayanahalli and Thimmappanagudi, Located near Sandur, Bellary District, Karnataka for Karnataka State Minerals Corporation Ltd., Bangalore.
- Engineering & Consultancy services for 2x8 MTPA Pellet Plant with 30 MTPA Filtration Unit for JSW Utkal Steel Limited, Paradeep
- Preparation of Pre-Feasibility Report and Detailed Project Report for Expansion of SAIL/Durgapur Steel Plant, Durgapur.
- Design, Engineering & Consultancy services for Blast Furnace Complex at Bellary Karnataka for SLR Metaliks Limited.
- Engineering, Procurement & Construction Management services for 160 KTPA Zinc Roaster at Debari, Udaipur, Rajasthan for Hindustan Zinc Limited, Udaipur.
- Consultancy services for Revamping/ Replacement of damaged system of Naphthalene processing units of SAIL/Bhilai Steel Plant, Bhilai.
- Updation of TEFR-2 for setting up Iron Ore Concentrate Slurry Pipeline from Nagarnar to Vizag Port Trust & return Water Pipeline and 8 MTPA Filtration facilities at Vizag of NMDC Limited.
- Preparation of Detailed Project Report for expansion of Integrated Steel Plant at Kalinganagar for Tata Steel Limited, Kalinganagar.
- Design, Engineering & Consultancy services for New Stock House at Blast Furnace No. 1 for JSW Steel Limited, Bellary.
- Preparation of TEFR & EIA/EMP Report for 6.5 MTPA Integrated Steel Plant at Paradeep, Odisha for Arcelor Mittal Nippon Steel (AM/NS) Limited.
- Preparation of EIA Report for Conducting Carrying Capacity Study for JSW Steel Limited at Vijayanagar, Toranagallu, Bellary.
- Consultancy services for obtaining Environmental Clearance of Jhilingburu-I Manganese & Iron Ore Mining Lease violation case of Gua Ore Mines for SAIL/Bokaro Steel Plant, Boakro.
- Consultancy services for obtaining Environmental Clearance for proposed expansion of Integrated Steel Plant upto 10 MTPA located at Vijayanagar for JSW Vijayanagar Metaliks Limited.



- Preparation of land utilisation report for the proposed Brownfield expansion of SAIL/ Bokaro Steel Plant, Bokaro.
- Preparation of Detailed Project Report for development of Iron Ore Mine & setting up of iron ore processing plant for Tata Steel Limited, Kalinganagar.
- Preparation of Study Report for Feasibility and Requirement of Air Pollution Control (APC) System for DRI, Sinter, Coke Oven, Blast Furnace, Lime, SMS and Base Blending Bunker Plant for Tata Steel Limited.
- Consultancy services for obtaining Environmental Clearance for proposed expansion of existing Integrated Steel Plant from 10 MTPA to 15 MTPA of JSW Steel Limited, Dolvi.
- Updation of TEFR-1 for setting up Iron Ore Processing Plant at Kirandul, Slurry Pipeline from Kirandul to Bacheli, Water Pipeline from Bacheli to Kirandul and Augmentation of Iron Ore Processing Plant at Bacheli from 2.0 MTPA to 4.0 MTPA of NMDC Limited.
- EIA/EMP Studies for Greenfield Integrated Copper Plant along with Fertilizer (DAP and NPK) of 9 Lakhs TPA for Indo Asia Copper Limited.
- EIA/EMP Report and obtaining Environmental Clearance from MoEFCC along with TNPCB clearances for the capacity expansion of Zirconium Complex for Department of Atomic Energy - Zirconium Complex (A Unit of NFC, Hyderabad).
- Preparation of Techno-Economic Feasibility Report & Basic Engineering Drawings for Stove Modification in MBF# 2 for Tata Metaliks Limited.
- EIA/EMP Studies for the grant of Environmental Clearance from MoEFCC for Chromite Block-II Mine Lease with Chrome Ore Production Capacity of 7.5 LTPA spread over an area of 153.571 ha located in Jajpur, Odisha for Odisha Mining Corporation Ltd.
- Preparation of Techno-Economic Feasibility Report for setting up of new steel making and rolling mill facilities in their existing plant (UGML & UVSL) at Wardha, Maharashtra for Uttam Galva Metalics Limited.
- Study/design of existing drain system for JSW Plant at Toranagallu for JSW Steel Limited.

Energy Sector

- Engineering & Project Management Consultancy services for Haldia Panagarh Pipeline Project for Hindustan Petroleum Corporation Limited.
- Engineering & Project Management Consultancy services for Vizag-Srikakulam Natural Gas Pipeline (VSPL) Project (KSPL Ph-II) for Andhra Pradesh Gas Distribution Corporation Ltd.
- Engineering & Project Management Consultancy services for 5 nos. of Microtunneling in Assam and West Bengal for Oil India Limited.
- Engineering, Procurement and Construction Management services at Sadashibpur Depot, Odisha for Bharat Petroleum Corporation Limited.
- Consultancy services for IHEP-RLA of Stage I and II machines including uprating studies of Stage II machines and preparation of Detailed Project Report (DPR) for the RMU of second stage units of Idukki Under Ground Power station at Moolamattom for Kerala State Electricity Board Limited.
- Engineering & Project Management Consultancy services for implementation of Small-Scale NG Liquefaction Plant at Vijaipur and Pata for GAIL (India) Limited, Delhi.
- Engineering & Project Management Consultancy services for Master Control Room Project for Gujarat Gas Limited.



- PMC (Pre- & Post- LSTK Award) services for setting up Nano Urea (Liquid) Fertilizer Plant at National Fertilizers Limited, Nangal Plant for National Fertilizers Limited.
- Preparation of RLA study on one unit and preparation of Detailed Project Report for Renovation & Modernization and Life Extension of both units of 2x45 MW Bargi HPS of Madhya Pradesh Power Generating Company Limited.
- Design & Engineering services for 400/220 KV Substation of JSW-BPSL, Rengali.
- Preparation of Power System Study Report for SAIL/Bokaro Steel Plant, Bokaro.
- Detailed Engineering & Consultancy services for upgradation of 1 no 220 KV bay installation of 1 no 220/33 KV transformer along with associated 33 KV switchboard in existing 220/33 KV MRS of JSW-BPSL.
- Consultancy services for Various Open Tenders to be hosted by Sabarmati Gas Limited.
- Preparation of EIA/EMP Report for setting up of 800 MW coal based Supercritical unit at Yamuna Nagar, Haryana for Haryana Power Generation Corporation Limited.
- Engineering & Project Management Consultancy services for setting up multiple LNG Liquefaction Plant across India for Greenature Micro LNG Private Limited.
- Preparation of Study Report on Vetting Revised Cost Estimate for Rajasthan Refinery Project for Department of Mines & Petroleum, Govt. of Rajasthan.
- Preparation of Report for Scrap valuation of 110 MW Unit # 1 & 2 of Parichha Thermal Power Plant, Jhansi, Uttar Pradesh for U.P. Rajya Vidyut Utpadan Nigam Limited.

Infrastructure Sector / Other Engineering

- Preparation of Constructability Assessment Report and Engineering Consultancy services for the Project – “Covering of Stock Piles at

three sites at Bachel & Kirandul Projects” for NMDC Limited, Hyderabad.

- Project Management Consultancy and Supervision for Construction of projects including Civil, Electrical & Mechanical in Central University, Jammu.
- Consultancy services for Investigation and Remedial Measures of Tailing Dam at Jaduguda for Uranium Corporation of India Limited.
- Construction / Maintenance Works on Deposit Basis for Development of Central University of Odisha, Koraput.
- Preparation of Study Report for Hydrodynamic and other studies as per the ToR requirement issued by MoEF&CC for EIA/EMP report towards EC & CRZ clearance for Indian Coast Guard Academy at Mangaluru, Karnataka for Military Engineer Services (MES).
- Consultancy services for the proposed Boundary wall for Indian Coast Guard Academy at Mangaluru, Karnataka for Military Engineer Services (MES).

3. FOREIGN ASSIGNMENTS

Overseas assignment bagged by your Company is highlighted below:

- Engineering & Project Management Consultancy services for CDPL Project, Bangladesh for Usafe Pvt. Ltd., Singapore.
- Preparation of Due Diligence report for City Gas Distribution business in order to support JERA Consortium in evaluating investment value from technical perspective for JERA Sumitomo Corporation, Japan.
- Preparation of Bankable Detailed Feasibility Report for Copper & Aluminium Scrap Recycling Plant in Tangier Free Zone, Morocco for Samta Morocco SA, Morocco.

4. FUTURE BUSINESS VISION

Your Company has a unique opportunity of executing a number of prestigious assignments in the Steel Sector, which is a traditional core



competence area of the Company. Your clients expect the Company to contribute immensely in the national steel building capacity in the next 10 years. Your Company has already diversified its product and clientele to minimize market vagaries and is fully geared up to harness the prospective opportunities in areas other than Metals.

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

Your Company is in the process of forging new business alliances with global leaders which would further leg up our efforts to enter into new business areas as well as strengthen our positioning in the existing market.

Your Company is pursuing to assimilate latest technologies by transferring & sharing experience and expertise of market leaders. Your Company is fully prepared to meet market expectations and challenges and is poised to play an enhanced role in socio-economic transition of the country.

5. MANAGEMENT INITIATIVES

Management is continuing its focus on strengthening the potentially high growth

6. BUSINESS DIVERSIFICATION

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

Your Company is also eyeing at international market for business potential and is participating in overseas projects / tenders. Some business potentials have been identified in Kazakhstan and Oman, for which follow up action is being taken to convert them into business.

areas by deploying additional resources and widening the global outreach of the Company through participation of employees in international trade events.

With focused marketing approach and zeal to face new challenges, the organization has been able to moderate its business strategy to enhance its presence in Iron & Steel, Infrastructure, and Energy sectors and has also ventured into newer areas of business with strategic partners to meet challenges emerging from changed business scenario. The recent foray into newer vertical of O&M service of Integrated Steel Plant stands testimony to this Management conviction.

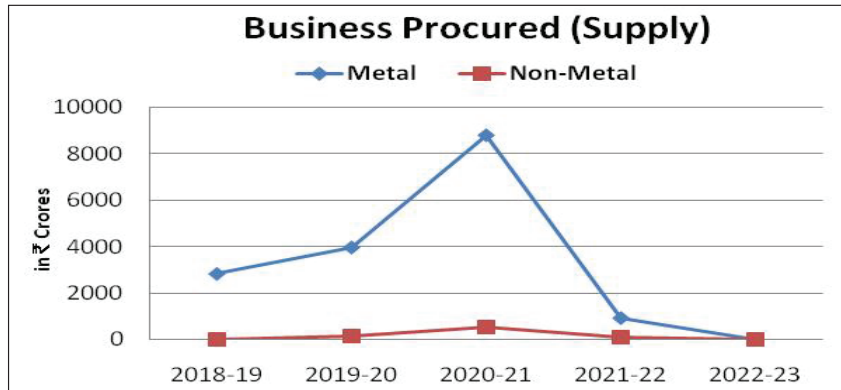
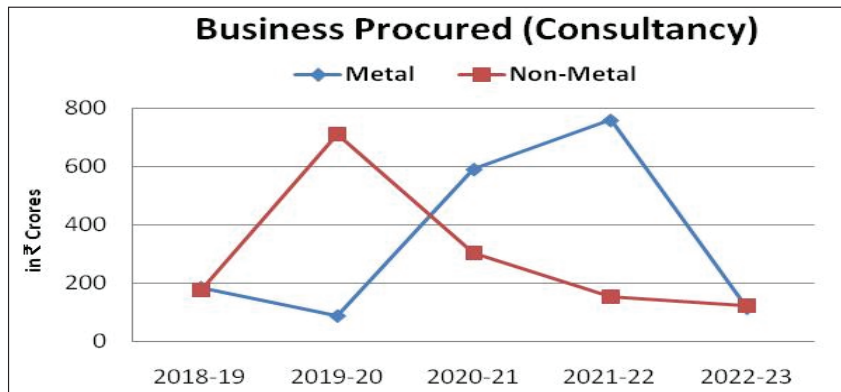
Concerted efforts are being made for supplementing the knowledge / technology gaps through MoUs with global leaders in respective fields and squeezing out opportunities trickling from the traditional business areas.

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

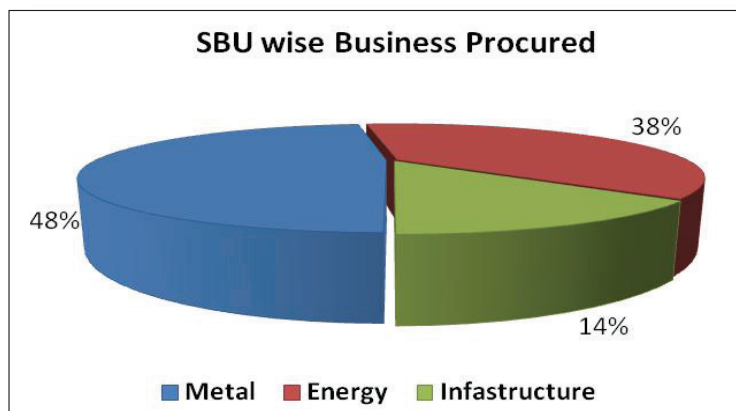


The total business procurement from all the SBUs of the Company in Consultancy and Supply jobs during the F.Y. 2022-23 vis-à-vis F.Y. 2021-22 is as follows:-

SBU	2021-22 ¹ (Rs in Crores)		2022-23 ² (Rs in Crores)	
	Consultancy	Supply	Consultancy	Supply
Metal	760.54	930.69	112.59	-
Energy	148.53	-	90.06	-
Infra	6.62	103.73	32.64	-
Sub-Total	915.69	1034.42	235.29	-
Total	1950.12		235.29	



During this fiscal year, SBU wise share in business procurement in Metal, Energy & Infrastructure has been of the order of 48%, 38% and 14% respectively



¹Figures are inclusive of GST
²Figures are excluding GST



7. MOU WITH MINISTRY OF STEEL ON PERFORMANCE

Like previous year, your Company has signed a MoU with the Ministry of Steel for the F.Y. 2022-23.

8. ISO 9001:2015 CERTIFICATION

Your Company is an ISO- 9001:2015 certified Company since 1994 and has an Apex Quality Manual (AQM) which describes the Quality Management System (QMS), confirming to ISO-9001:2015, being practiced at your Company.

In May, 2021, your Company has successfully completed the recertification audit by TUV India Pvt. Limited and received ISO-9001:2015 certificate from TUV Nord CERT GmbH, Germany. The scope of Company's certification includes Consultancy, Design

and Engineering, Procurement of Plant and Equipment, Inspection, Construction and Project Management Services and Erection of Turnkey projects. Your Company's QMS has met the requirements of the Standard and is recommended for continuation of ISO 9001:2015 certification with validity till 29.01.2024.

The certification body identified some potential improvements and highlighted good practices.

Your Company has successfully completed the 1st and 2nd Surveillance Audit conducted by TUV India Pvt. Limited in January, 2022 and February, 2023 respectively. In the 2nd Surveillance Audit Report, there were NIL non-conformities and various good practices were reported. The management has issued orders for implementation of those suggestions.

9. FINANCIAL PERFORMANCE

The highlights on financial performance during the financial year 2022-23 vis-à-vis previous financial year is as follows: -

(Rs. In Lakhs)

Particulars	FY 2022-23	FY 2021-22
Revenue from Operations	88,945.92	60,476.29
EBITDA	4,368.22	2,795.51
Profit / (Loss) Before Tax	3,400.80	1,953.66
Profit / (Loss) After Tax	3,100.93	1,369.85
Net Worth	46,050.42	43,175.40

Details on contracts or arrangements with related party

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

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

The Revenue from Operations of the Company for the F. Y. 2022-23 is Rs. 88,945.92 Lakhs whereas Revenue from Operation per Employee is Rs. 80.93 Lakhs.

Disclosure on fraud reported by Auditor

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

Particulars of loans, guarantees or investment

Your Company has neither made any investment nor provided any loan or guarantee during the F. Y. 2022-23 which are covered under Section 186 of the Companies Act, 2013

Transfer to Reserves

An amount of Rs. 1,144.10 Lakhs has been transferred towards Reserves during the F. Y. 2022-23.



Dividend

The Board of Directors of your Company have recommended dividend of Rs. 930.28 Lakhs on the fully paid up equity share capital of Rs. 4013.84 Lakhs for the F. Y. 2022-23.

Cumulative dividend and tax paid to Exchequer

Your Company has paid cumulative dividend of Rs. 10,442.16 Lakhs till F. Y. 2022-23. The cumulative income tax to the Exchequer amounting to Rs. 64,004.38 Lakhs has been paid / provided till the F. Y. 2022-23.

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

- NIL

Performance of Joint Venture

- NIL

Name of Companies which have become or ceased to be the subsidiary, JV or associate Company during the FY 2022-23

- NIL

Details on foreign exchange inflows and outflows

During the year under review, the actual amount of foreign exchange earning of your Company is Rs. 67.63 Lakhs whereas Rs. 12.82 Lakhs is the actual amount of foreign exchange outgo.

Details of Deposits

Your Company has not accepted any deposits as specified under Section 73 to 76 of the Companies Act, 2013 during the F. Y. 2022-23 and therefore there do not call for any disclosure as required under Rule 8(5)(v) of Companies (Accounts) Rules, 2014.

Maintenance of Cost Records

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

10. RESEARCH & DEVELOPMENT

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

With this in mind, your Company has entered into collaborative tie-up with Jadavpur University to develop procedure for Joining Next Generation High Temperature Material to be used for supercritical / ultra- supercritical power plant by Friction Stir Welding. The Friction Stir Welding of high temperature material viz. P91 in supercritical & ultra-supercritical power plant that will enable thermal power plant to operate at higher pressure & temperature. This in turn will provide higher plant efficiency, lower operating cost, reduced emission and higher reliability. This will also enable generate adequate power with the limited resources and will facilitate minimize the gap between demand and generation.

The said R&D project has been completed successfully in the F.Y. 2022-23. The project was funded by the Ministry of Steel from Plan Fund. Your Company was associated with Jadavpur University as industrial partner in this project.

Recognition of MECON R&D

The MECON R&D is recognized by DSIR, Government of India. The current renewal certificate obtained is valid upto 31.03.2025.

List of granted patents and applications filed in the F.Y. 2022-23

02 patents have been granted to your Company during the FY 2022-23 primarily in the area of Multi Component Gas Analyzer and Coke Oven. Further, 07 patent applications have been filed with the Indian Patent Office, which are under process.



Expenditure incurred on R&D activities

During the year under review, your Company incurred Rs 199.37 Lakhs towards R&D activities calculated on the basis of man-hour rate which includes expenditure towards travel and contingencies associated with R&D activities.

11. CONSERVATION OF ENERGY

Several energy efficient measures have been suggested to several clients which are implemented in the projects undertaken by your Company. Some of the major steps projects in which steps towards conservation of energy has been undertaken is highlighted below:-

In Coke Oven Consultancy

Your Company is rendering PMC services at NMDC & RINL and EPC at BSL, RSP, BSP units of SAIL. In all of these assignments following latest energy efficient green technologies, as applicable, are envisaged / implemented and some of newly developed are to be implemented:

Machine Mounted 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).

VVVF drive for Raw Gas Exhauster has been adopted in BPP plant of COB#11, BSP and COB#5 RINL to save electrical power.

VVVF drive for High Pressure Ammonia Liquor Aspiration (HPALA) Raw Gas Exhauster has been adopted in all rebuilt & new coke oven batteries to save electrical power.

Oven roof sliding joint & SS foil at oven roof for arresting leakage of raw C.O. gas.

SS Foil at Regenerator Faces to Arrest gas leakages and heat losses.

Re-circulation windows at oven bottom to

reduce the specific heat consumption of heating gas along with reduction in SO_x / NO_x gas emission.

Prevention of gas leakage through oven doors by installing Zero-leak doors.

Water re-circulation for water sealed AP Lids for reduction of usage of water.

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.

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.

Computerised Oven Heating Control (COHC) system for optimising specific heat consumption.

In Civil Infrastructure Consultancy

Further, while rendering consultancy for the following projects, several energy saving measures have been suggested to clients.

Nalanda University Campus

The campus is designed and constructed with aim to combine state-of-the-art technologies with planning principles of erstwhile Nalanda University. The planning considered NET Zero Energy Management Plan, Net Zero GHG Emissions Plan, Net Zero Water Management Plan, and Net Zero Waste Management Plan. Your Company is the PMC for the project.

National Institute of Homoeopathy, Delhi

The Project has been constructed with the targeted GRIHA 3-star rating. Accordingly, the solar PV panels have been installed, the construction material & Horticulture have been planned and executed to achieve the targeted GRIHA rating. Your Company was the Architectural & engineering consultant as well as PMC.



Central University at Jammu

The buildings in the project are being constructed with the targeted GRIHA 3 star rating. Accordingly, the construction material and procedures are being adopted to achieve GRIHA-3 star rating in future. Your Company was the Architectural & engineering consultant as well as PMC.

12. TECHNOLOGY ABSORPTION

The detailed information on efforts made and benefits derived like products improvements, cost reduction, product development or import substitution from Technology Absorption alongwith technology imported and expenditure incurred on R&D as per Section 134(3) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 is enclosed at [Appendix- 2](#) to this report.

13. HUMAN RESOURCE DEVELOPMENT

Capacity Building

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

Regular Knowledge Management sessions are conducted to effectively disseminate and utilize organizational knowledge. Management always strives to focus towards development of its employees with the objective that they will lead the Company through challenging environment and ensure that sustained value creation is achieved. With this objective, various human resource development activities were undertaken in the FY 2022-23. Management has achieved 603.5 Mandays of training and development (Technology – 206.25 Mandays,

Skill related – 293.75 Mandays and Soft Skill – 103.5 Mandays).

Apart from conducting regular trainings on technical, skill related and soft skill, based on Training Need Analysis and Organizational Requirement, focus was laid upon latest Technological Advancements and developing Leadership Effectiveness. Along with organizing Management Development Program, Knowledge sharing session and Web- based training programs with various centre of excellences such as (National Forensic Sciences University, Indian Institute of Technology, Guwahati, Indore, Kharagpur, and Engineering Staff College of India, CBI and IIM Jammu), various employee program such as Preventive Vigilance, AWS Cloud Administration, GAP Analysis on New Labour Codes & Existing Labour Laws, Project Planning and Monitoring, Indian Accounting Standards (IND - AS), Risk Mitigation through Forensic Document, Retirement Wellness Workshop etc., were also organized.

Performance Management

Our Performance Management System is a robust and transparent system for evaluating the performance of employees based on specific and measurable standards communicated to the employee, with the features of Correctiveness, Inclusiveness, Standardization and Ethics in the system.

The evaluation of overall performance of an employee for capturing his/her work performed is done with the following two tiers. The first tier evaluates the Performance of an employee which signifies his/ her actual work performed in the financial year and the second tier evaluates the potential of an employee which signifies the latent qualities or abilities in the employee for his/her future growth, in turn facilitating the Organizational growth.

It gives employees a clear understanding of their areas of strength, improvement and gives



executives an access to their developmental needs. Along with this, it creates a performance culture through continuous performance improvements of individual employees, teams and in turn Organization as a whole. Further, it provides clear growth path for talented individuals, helps to identify and develop leadership talent for the future.

Industrial Relations

The Company focused on employee relationships and all employee related matters were addressed leading to greater satisfaction of the employees. The Company maintained harmonious industrial relations throughout the year. Mandays loss due to internal action was reported as 'NIL' for FY 2022-23 due to the participatory ecosystem prevalent in the Company which shows the concerted efforts undertaken by the management as well as the association / union to work in unison towards organizational objectives.

Liasion with other associated external agencies was also maintained cordially and on regular basis.

Steps towards development of differently abled persons

With a view to focus on its role as a socially responsible and socially conscious organization, MECON has taken various steps towards development of differently abled persons in the Company after introduction of the Rights of Persons with Disabilities Act, 2016.

A Grievance Redressal Officer (GRO) has been nominated at the Head Office, Ranchi under Section 23 of the Rights of Persons with

Disabilities Act, 2016. Provisions have been made in the buildings to provide barrier free access to differently abled persons. Ramps have also been provided for unhampered movement of wheel chairs.

The strength and number of employees of persons belonging to PwBD category is as follows:-

Cat./ Group	Manpower as on 31.03.2023	PwBD	
		No.	%
A	958	06	0.62
B	29	0	0
C	79	05	6.32
Total	1066	11	1.03

Information pursuant to the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal Act, 2013)

Your Company has complied with the provisions under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 including constitution of an Internal Complaints Committee (ICC) for dealing with complaints of sexual harassment of women at workplace.

The summary of sexual harassment complaint received and disposed off during the year is as follows:-

Number of cases pending as on 01.04.2023	NIL
Number of complaint received in F.Y. 2022-23	NIL
Number of complaint disposed-off during F.Y. 2022-23	NIL
Number of complaint pending as on 31.03.2023	NIL



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

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

Cat./Group	Manpower as on 31.03.2023	SC		ST	
		No.	%	No	%
A	958	216	22.5	55	5.74
B	29	1	3.4	11	37.9
C	79	14	17.7	40	50.6
Total	1066	231	21.67	106	9.94

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 Rosters with regard to recruitment and promotion of SCs/ STs, SC/ST Cell has been formed with Chief General Manager (HR) as Liaison Officer. The SC/ST Cell maintains proper record regarding recruitment and promotion and statistics of SC/ST employees and furnishes reports to the Ministry of Steel on regular basis. The Company has made consistent efforts to accommodate SC/ST candidates in all recruitments in MECON as well as in promotion to the next higher grade as per Government Directive.

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

15. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

The details of Projects/ Activities carried out with respect to period commenced prior to 01.04.2020 is enclosed at [Appendix-3](#). The details with respect to projects/ activities carried out with respect to period commenced on or after 01.04.2020 containing allocated funds for the F.Y. 2022-23 and unspent (carry-over) amounts from F.Y. 2020-21 & 2021-22 are furnished at [Appendix-4](#).

16. OFFICIAL LANGUAGE POLICY (USE OF RAJBHASHA)

Your Company is effectively implementing the Official Language Policy of the Government of India in its official work. It is also making all out efforts to achieve the targets fixed in the Annual Programme issued by Rajbhasha Vibhag, Ministry of Home Affairs, Government of India.

Your Company has 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



(PSU), Ranchi and actively participates in all the programmes.

During the year under review, your Company has organised following events.

- The progress of official language was discussed on 03.06.2022, 25.08.2022, 25.11.2022 and 24.02.2023 respectively by the Official Language Implementation Committee at MECON, Headquarters Ranchi.
- During the F.Y. 2022-23, Hindi workshop were organized on 17.06.2022, 26.09.2022, 30.11.2022 and 20.03.2023.
- “Hindi Pakhwara” was observed at Ranchi as well as in all the site offices of the Company from 14.09.2022 to 29.09.2022. On this occasion, all employees took a pledge to increase use of Hindi in their day to day official work.

During the “Hindi Pakhwara”, competitions of various natures were also organized at Head Office and other offices of the Company like Hindi Essay writing, Kavi Sammelan, Extempore speech, Poetry recitation, written quiz competition etc were also organised in the Company.

Progressive use of Hindi was inspected by Deputy Director (Rajbhasha), Government of India, Steel Ministry, Rajbhasha Department on 08.06.2022 and 07.10.2022 in MECON Vizag & MECON Mumbai offices, respectively.

The 3rd Sub-Committee of the Committee of Parliament on Official Language, Government of India inspected the progressive use of Hindi in MECON, Bangaluru Office on 04.11.2022.

Your Company has attended the Hindi Salahkar Samiti Meeting held at Gangtok & Varanasi on 13.05.2022 and 31.08.2022 respectively.

The Hindi Diwas and Hindi Fortnight were celebrated in various site offices of your Company including Delhi and Bengaluru from 14.09.2022 to 29.09.2022.

17. VIGILANCE ACTIVITIES

The Chief Vigilance Officer (CVO), appointed by the Government on the advice of Central Vigilance Commission (CVC), is posted at MECON HQ Ranchi. On completion of tenure of previous CVO, Shri Vineet Panday, took additional charge of the post of CVO, MECON Limited w.e.f. 07.11.2022. CVO has been assisted by Chief General Manager (Vigilance) and Vigilance Department at Ranchi. Vigilance activities of Bokaro and Rourkela Offices are handled by Vigilance Department, MECON, Ranchi. Vigilance Officers (VOs) posted at MECON offices at New Delhi and Bangalore are working full time in Vigilance Department. VOs at other Site Offices viz. Nagarnar, Mumbai, Vizag, Bhilai and Kolkata look after vigilance activities in addition to their normal official duties allotted to them. 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 2022 have been submitted by the employees and its database is maintained and is continuously scrutinized and monitored.

Integrity Pact (IP) is functional in the 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. The Company enters into Integrity Pact with vendors / suppliers / contractors for orders of ₹1.0 Crore & above for EPC Projects and for orders of ₹25.0 Lakhs & above for Town Administration and In-house Procurement. The draft IP forms part of tender documents, wherever applicable. Till March 2023, the Company has signed Integrity Pact (IP) with 350 suppliers/contractors.

Vigilance Awareness Week-2022 was observed at MECON Head Office, Ranchi and at various Engineering & Site Offices of the Company from 31st October to 6th November 2022 in which the employees participated with enthusiasm. At Head Office, Ranchi, the observance of Vigilance Awareness Week (VAW) in MECON commenced with Pledge Ceremony (for all employees of MECON) on 1st

November 2022 at 11.00 AM (due to closed holiday on 31.10.2022) at MECON, Ranchi and MECON, Delhi. However, in other offices having working day on 31.10.2022, Pledge ceremony was conducted on 31.10.2022. The theme for observing Vigilance Awareness Week 2022 was theme “Corruption free India for a Developed Nation; “भ्रष्टाचार मुक्त भारत – विकसित भारत”. Due to prevalent condition and situation, various awareness programmes were conducted online.

Banners propagating message on Vigilance Awareness were displayed at various prominent places and activities like Signature Campaign with a theme “We support-Corruption Free India for a Developed Nation”, Talk, Presentations, Online Essay Writing, Slogan Writing and Painting competition among MECON employees and spouse/wards of employees were organized through online mode for sensitizing employees & participants against corruption. Essay and Slogan competitions were organized in Hindi and English languages.

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.

The Company is pleased to share 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.

Details of Vigilance cases pending / disposed off during 2022-23 were as under:-

No. of cases pending as on 31.03.2022	09
No. of cases received during 2022-23	13
No. of cases disposed off during 22-23	12
No. of cases pending as on 31.03.2023	10

During the period under consideration, cases investigated include procedural violation, submission of fake documents, policies of the Company, irregularities in tendering & contract management etc. received from different sources viz. PIDPI complaints (CVC), other complaints from CVC, complaints from vigilance units of other CPSEs / Private parties etc.

18. DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT

The Risk Management framework in your Company runs with an 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 resource.

Management is accountable to the Board for effective implementation of risk management strategies in all relevant areas of Company's operations. For this purpose, periodic reviews are being held both at the operational levels and at the Management 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 of laws & regulations.

In addition to this, Company's quality policy encompasses risk assessment for all the sections/ departments which is being periodically reviewed and recorded for improvement. Your Company's risk management and control system provide a reasonable assurance towards the realization of strategic objectives of the organization.

During the year under review, risks emanating from global economics, Ukraine-Russia war, trade with neighboring countries, regulatory/ policy related issues in India and regular fluctuation in steel prices have impacted the Company's business. However, efforts have been made by your Company to mitigate the same. Further, there has been an unprecedented fluctuation in the prices of steel, fuel and other commodities which are severely affecting execution of ongoing projects.

The Management is reviewing the project-wise situation on a regular basis to ensure smooth execution and trying to negotiate with clients to find ways to reduce the impact of unprecedented price rise.

In view of the ever increasing complexities of business models & market dynamics and government regulations, your Company is always in the process of upgrading the Risk Management Framework.

19. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the year, your Company filed LPA No. 400/2022 before the Hon'ble High Court of Jharkhand for quashing the order passed by MSEFC, Jharkhand in favour of M/s N.P. Construction, Bokaro, Jharkhand. However,



the Hon'ble High Court refused to entertain the LPA.

Your Company filed SLP before Hon'ble Supreme Court against the refusal of Hon'ble High Court of Jharkhand wherein the Hon'ble Court vide Order dated 17.03.2023 passed an interim stay against the order of the MSEFC.

20. PROCEEDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

M/s N.P. Construction has initiated the Corporate Insolvency Proceedings against your Company at National Company Law Tribunal (NCLT), Kolkata pursuant to the order of the MSEFC, Jharkhand, Ranchi.

However, in view of the interim orders passed earlier by Hon'ble High Court of Jharkhand in LPA 400/2022 and subsequently by Hon'ble Supreme Court in SLP (Civil) 5048/2023 on 17.03.2023, the further proceedings are stayed.

21. RIGHT TO INFORMATION

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

ensure smooth and effective implementation of the RTI Act.

As a measure to facilitate citizens in filing their RTI applications and first appeals online, MECON has adopted the Online RTI web portal³ launched by Department of Personnel and Training. Consequently, most of the RTI applications and RTI appeals are being filed on this online portal and are being replied through the online mode. Suo motu disclosure as per Section 4(1)(b) of the RTI Act have been made available on the website of MECON⁴. Name, designation and address of the CPIO, APIO (Head Office) and First Appellate Authority have been provided on the website of MECON along with the procedure to file the RTI application. Quarterly RTI returns for all the four quarters is being submitted to the Central Information Commission on their website. Further, under Section 4(1)(b) of the RTI Act, the suo motu disclosures were audited by National Institute of Secondary Steel Technology, Punjab.

A summary of the RTI applications & appeals received in the FY 2022-23 is given herein below:-

RTI Applications pending as on 01.04.2022	01
RTI Applications received during 01.04.2022 to 31.03.2023	159
RTI Applications disposed off during 01.04.2022 to 31.03.2023	151
RTI Applications transferred to other Public Authority during 01.04.2022 to 31.03.2023	05
RTI Applications pending as on 31.03.2023	04
RTI Appeal pending as on 01.04.2022	05
RTI Appeal received during 01.04.2022 to 31.03.2023	18
RTI Appeal disposed off during 01.04.2022 to 31.03.2023	22
RTI Appeal pending as on 31.03.2023	01
RTI 2nd Appeal taken up at CIC level in FY 2022-23	03

3. <https://rtionline.gov.in>

4. www.meconlimited.co.in



22. CHANGES⁵ IN DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

Smt. Rasika Chaube, ceased to be the Government Nominee Director of the Company w.e.f. 30.06.2022 due to her nomination withdrawn by the Government of India.

Smt. Manju Chandra ceased to be the Independent Director of the Company due to completion of her appointment tenure on 20.10.2022.

Shri Salil Kumar, CMD (Addl. Charge) & Director (Projects) of the Company got superannuated on 31.10.2022.

Shri R. H. Juneja, Director (Finance) of the Company got superannuated on 30.11.2022.

Shri Arun Kumar Agrawal, Director (Technical) got superannuated on 31.05.2023.

Shri Mukesh Kumar has been appointed as Director (Finance) of the Company. He assumed the charge of the post of Director (Finance) w.e.f. 07.12.2022.

Dr. Sanjay Roy has been appointed as Government Nominee Director of the Company w.e.f. 09.03.2023.

Shri Ajit Kumar Saxena, CMD, MOIL has been assigned the Additional Charge of the post of CMD, MECON. He assumed the charge w.e.f. 18.08.2023.

Shri Amit Raj has been appointed as Director (Technical) of the Company. He assumed the charge of the post of Director (Technical) w.e.f. 31.08.2023.

Shri Pradumn Kumar Dixit has been appointed as Director (Projects) of the Company. He assumed the charge of the post of Director (Projects) w.e.f. 05.09.2023.

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

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

23. PARTICULARS OF EMPLOYEES & RELATED DISCLOSURES

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

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

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

24. DECLARATION OF INDEPENDENCE

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

25. MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion & Analysis Report (MDAR) covering the performance and outlook of your Company is enclosed vide **Appendix- 5.**

5. As on the date of AGM



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

26. COMPLIANCES OF THE RECOMMENDATION MADE BY COPLLOT (RAJYA SABHA) IN ITS 150th REPORT

The details to be provided in the Annual Report in terms of recommendations made by the Committee on Paper Laid on Table (COPLLOT)-Rajya Sabha in its 150th Report is enclosed at **Appendix- 6** to this report.

27. CORPORATE GOVERNANCE

The Report on Corporate Governance as required under the Guidelines on Corporate Governance issued by the Department of Public Enterprises is annexed as **Appendix-7** to this report.

28. 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 31.03.2023 is available on the website of the Company at the link http://meconlimited.co.in/Annual_Return.aspx

29. STATUTORY AUDITORS

M/s. K. Pandeya & Co., Chartered Accountants, was appointed as the Statutory Auditors for the financial year 2022-23 by the Comptroller & Auditor General of India (C&AG) under the provisions of Section 139(5) of the Act. They shall hold office till conclusion of the ensuing Annual General Meeting of the Company.

30. AUDITORS' REPORT ON FINANCIAL STATEMENT

The Statutory Auditors' Report on the Financial Statements of the Company for the Financial Year ended 31st March, 2023 is placed at **Appendix- 8** to this Report. The comments of Comptroller & Auditor General of India

(C&AG) on the Financial Statements of the Company for the Financial Year ended 31st March, 2023 under Section 143(6)(b) of the Companies Act, 2013 and the Management's replies thereon are placed at **Appendix- 9** to this Report.

31. DIRECTOR'S RESPONSIBILITY STATEMENT (DRS)

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

- i. In the preparation of the annual accounts for the financial year ended 31.03.2023, 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 2022-23, 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.

32. ACKNOWLEDGMENTS



The Directors commend the indefatigable efforts of the employees at all levels which has contributed immensely to the growth of the Company. 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 and also from State Governments. 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/-

Ajit Kumar Saxena

Chairman and Managing Director

(Addl. Charge)

DIN: 08588419

Place: Nagpur

Date: 22.09.2023



APPENDIX-1
FORM AOC- 2: DISCLOSURE OF CONTRACTS/ ARRANGEMENTS WITH RELATED PARTIES

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

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

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

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

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

Sd/-

Ajit Kumar Saxena

Chairman and Managing Director (Addl. Charge)

DIN: 08588419

TECHNOLOGY ABSORPTION

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

I. Indigenously developed Technology

In the area of Coke Oven:

High Capacity (Jumbo) Coke Oven Battery:

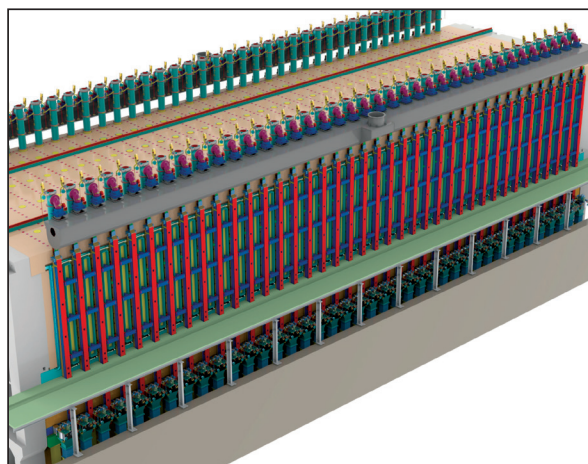
Adoption of larger oven chambers does not only favour the economics of coke making, but also solves the purpose of environmental pollution control. Three principles mainly characterize prospective projects of coking plants:

- i. Improvement of Economics of Coke Production.
- ii. Optimization of the Coke Quality.
- iii. Lesser Environmental Footprint: reduction of the impact of the coking process on the environment and on the ambient air in particular.

Considering the future scenario, your Company has taken a step forward for indigenous development of high capacity coke oven module. Your Company has already developed an increased capacity 7M coke oven (named as Angara 7.1) having higher useful volume than existing 7M batteries installed in SAIL / RINL / KMCL plants, the oven dimensions are as follows:-

Comparison of 7M with Angara 7.1 Module

Parameters	Indigenous Modules	
	7M	7M (Angara 7.1)
Length of Oven	16000 mm	16960 mm
Average 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 ³	49.8 m ³
Coke Per Push (dry)	24.03 T	28 T





The advantages of High Capacity Coke Oven installations are as follows:

- i. Less land / space requirement for same coke production
- ii. Less number of pushing & charging and reduced number of opening > resulting less emission
- iii. Less operational & maintenance cost & higher battery lifecycle
- iv. Improved coke quality

II. Imported Technology:

In the area of Conversion of Natural Gas to Liquefied Natural Gas (LNG)

The benefit of Conversion of Natural Gas to Liquefied Natural Gas (LNG) at Well Head/ Pipeline at small scale is that Natural Gas available at remote wells in North East, Rajasthan etc. which cannot be fed into pipeline network, can be converted into Liquefied Natural Gas (LNG). This LNG can be transported through tankers to different locations which can further be used directly as fuel for Heavy Commercial Vehicles, in form of Compressed Natural Gas (CNG) for different type of vehicles and as piped natural gas to feed local distribution networks. The system has built-in gas cleaning facility. This method saves considerable quantity of Natural Gas which is being flared presently for GAIL (India) Limited.



BOARD'S REPORT ON CORPORATE SOCIAL RESPONSIBILITY

For the Financial Year commenced prior to 01.04.2020

1. Brief Outline of CSR Policy of MECON Limited

The objective of CSR policy of MECON is to lay down guidelines for proper functioning of CSR activities to attain sustainable development of society.

The CSR policy is in accordance with the provisions of the Companies Act, 2013 and its Schedule -VII; Companies (Corporate Social Responsibility Policy) CSR rules and DPE guidelines.

The CSR policy includes the background of CSR activities of MECON, Areas of Operation, CSR Projects/ Activities, Methodology for selection & execution of CSR projects / activities including planning, implementation, monitoring; allocation & management of funds, reporting etc.

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

- Nutrition & Healthcare
- Education
- Skill Development & Livelihood
- Other activities/ Miscellaneous Programs

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

2. ¹The last reconstituted CSR Committee for the F.Y. 2022-23

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	Remarks
1	Smt. Manju Chandra	Chairperson-Independent Director	02	02	Appointment tenure expired on 20.10.2022
2	Shri R. H. Juneja	Member-Director (Finance)		02	Superannuated on 30.11.2022
3	Shri Sanjay Kumar Verma	Member-Director (Commercial)		02	

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

¹ The Board in its 259th meeting held on 06.04.2023 reconstituted CSR Committee with Dr. Sanjay Roy as Chairman and Shri Mukesh Kumar as member of the Committee, replacing Smt. Manju Chandra and Shri R. H. Juneja respectively.



4. Prescribed CSR Expenditure :

- | | | |
|--|---|----------------|
| a) 2% of the amount as in item 3 above | : | Not applicable |
| b) Unspent (Carry-over) Fund | : | Rs 146.25 Lakh |

5. Details of CSR fund spent during the Financial Year 2022-23, are indicated in Annexure to this report. Manner in which the amount spent is given below:

- | | | |
|---|---|-----------------|
| a) Total Unspent (Carry-over) amount available for F.Y. 2022-23 | : | Rs. 146.25 Lakh |
| b) Total amount spent on CSR activities during the F.Y. 2022-23
from the above Unspent (Carry-over) Fund | : | Rs. 29.88 Lakh |
| c) Amount unspent (to be carried to next Financial Year i.e. F.Y. 2023-24) | : | Rs. 116.37 Lakh |

6. Reasons for not spending the amount:

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.

The following projects as listed below could not be completed in FY 2022-23 due to the reasons as indicated:

- i) Cataract surgery for poor/down-trodden/needy villagers of Adopted villages/other villages/under-developed/slum areas etc. of Ranchi & Khunti districts of Jharkhand.[Project of FY 2019-20].
Work completed. Bill is under processing.
- ii) Construction of Toilet Blocks / Repair of dis-functional Toilets in MHRD schools in Jharkhand (under SwachhVidyalaya Abhiyan)
Project is completed. 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, District-Khunti [Work order placed in FY 2019-20]:
Bill under processing.
- iv) Solar powered Drinking water system in Adopted Village-Rai, Block-Khunti, District-Khunti [Work order placed in FY 2019-20]:
Work completed. LD (Liquidity Damages) has been withheld. Final Bill is awaited from the Contractor
- v) Solar powered Drinking water system in Adopted Village-Rupru, Block-Angara, District-Ranchi [Project of FY 2019-20]:
Bill under processing.
- vi) Renovation of Roof & False Ceiling alongwith Illumination facilities etc. of Dinning Hall-cum-Candle Making Section of Cheshire Homes India, Ranchi (A Home for Physically challenged Persons - Divyangs)[Project of FY 2019-20].
Work Completed. Bill under processing.



- vii) Renovation of Printing Section Building of Cheshire Homes India, Ranchi (A Home for Physically challenged Persons - Divyangs) [Project of FY 2019-20].
Work Completed. Bill under processing.
- viii) Construction of Boys Hostel Building in Orphanage at Village-Sungi, Khunti[Project of FY 2018-19]: Work Completed. Bill under processing.
- ix) Construction of Community Centre in U.P. [Project of FY 2013-14]:
Payment released with respect to 6th RA Bill.
- x) All the projects mentioned below are complete and handed over to the Beneficiaries. The final bills of same have been processed and payment released during FY 2019-20. However, the LD (Liquidated Damages) amount has been withheld.
- a) Construction of Toilet Block in Village School of Adopted Village-Pancha [Project of FY 2012-13]
- b) Construction of Toilet Complex in Adopted Village-Pancha [Project of FY 2012-13]
- c) Construction of Toilet Block for Girls in Orphanage of Adopted Village-Sungi [Project of FY 2013-14]
- d) Construction of Toilet Block for Boys in Orphanage of Adopted Village-Sungi [Project of FY 2014-15]
- xi) Construction of Toilet Complex in Adopted Village-Parsa Toli, Pancha [Project of FY 2012-13]
Work under progress.
- xii) Construction of Toilet Complex in adopted Village - Bar Toli, Pancha, Block-Bundu, Dist-Ranchi [Work order placed in FY 2019-20]

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

7. Affirmation

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

Sd/-

Shri Sanjay Kumar Verma

Director (Commercial)

DIN: 08600373

Sd/-

Dr. Sanjay Roy

Chairman (CSR Committee)

DIN: 10045280



ANNEXURE

Manner (Details of the Project) in which the amount spent during the Financial Year 2022-23

For the Projects Prior to 01.04.2020

From the Unspent (Carry-over) Fund of Rs. 146.25 Lakhs available in FY 2022-23

(As on: 31.03.2023)
(Amount in Rs.)

1	2	3	4	5	6	7	8	Status of the Project
Sl. No.	CSR Projects or activity identified	Sector in which the Project is covered	Project 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 2022-23 Sub-heads: 1. Direct expenditure on projects or programmes 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency	
1.	Healthcare							
i)	Cataract surgery for poor/ down-trodden/needly villager of Adopted village / other villages/ under-developed/ slum areas etc. of Khunti district of Jharkhand (Project Cost : Rs. 1,00,000/-) (Approved Project of FY 2019-20)	Healthcare	Village – Sungi, Block – Karra, District – Khunti, Jharkhand	85,896	18,108	12,895 (in FY 19-20)+ 1,210 (in FY 20-21)+ 18,108 = 32,213	Direct	a) Work completed in May, 2022. b) Financial progress :14% c) One out of 2 Patients (balance) was operated in April' 2022. Other Patient did not come for surgery. d) Bills under processing.
			Sub-Total (1)	85,896	18,108	32,213		
2.	Sanitation (Swachh Vidyalaya - Swachh Bharat Abhiyan in MHRD Schools)							
i)	Construction of Toilets in MHRD Schools of Jharkhand (under Swachh Vidyalaya Abhiyan) [Project Cost: (Toilets): Rs. 57,33,000/-] (Carry-over project of FY 2015-16)	Infrastructure Development Programme - Sanitation	10 nos. in Ranchi & Deoghar districts of Jharkhand	96,620	--	1,80,040 (in FY 14-15)+ 46,22,850 (in FY 15-16)+ 8,33,490 (in FY 16-17) = 56,36,380	Direct	Work completed in May, 2015 a) Physical progress – 100% b) Financial progress – 98.31% c) Performance Certificate awaited from Contractor.
ii)	Annual Maintenance of 22 nos. Bio-Toilets/ installed in MHRD Schools of Hazaribagh & Lohardaga districts of Jharkhand - Purchase of Bio-Media Kit (Under Swachh Vidyalaya Abhiyan) (Project Cost Rs. 74,000/-) (Carry-over Project of FY 2019-20)	Sanitation	MHRD Schools of Hazaribagh & Lohardaga districts of Jharkhand	11,286	--	--	Direct	1. Work completed in Oct., 2020, a) Physical Progress – 100% b) Financial Progress – 100% 2. Rs. 11,286/- has been provisioned for payment of GST.

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	Project 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 2022-23 Sub-heads: 1. Direct expenditure on projects or programmes 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency	
			Sub-Total (2)	1,07,906	--	56,36,380		
3.	Drinking Water							
i)	Construction of Solar based Drinking Water System in Adopted Village (Project Cost :Rs.7,06,845/-) (Approved project of FY 2018-19)	Drinking Water	Village– Aamjharria, Sungi, Block – Karra, District – Khunti, State - Jharkhand	7,06,845	--	--	Direct	1. Boring work was carried out in February' 2020, however it failed due to non-availability of underground water at the proposed location. 2. Bill under processing.
ii)	Construction of Solar based Drinking Water System in Adopted Village (Project Cost :Rs.7,06,845/-) (Approved project of FY 2018-19)	Drinking Water	Village – Rai, Panchayat – Fudi, District – Khunti, State - Jharkhand	5,70,250	2,45,455	1,36,595 (in FY 21-22)+ 2,45,455 =3,82,050	Direct	1. Work Completed on Mar, 2022 2. Final Bill awaited from the Contractor. 3. LD amount withheld
iii)	Construction of Solar based Drinking Water System in Adopted Village (Project Cost : Rs.5,17,190/-) (Approved project of FY 2019-20)	Drinking Water	Village – Rupru, Block – Angara, District – Ranchi, State - Jharkhand	5,17,190	--	--	Direct	1. Boring work was carried out in January' 2021, however it failed due to non-availability of underground water at the proposed location. 2. Bill under processing.
			Sub-Total (3)	17,94,285	2,45,455	3,82,050		
4	Education							
i)	Free Literacy programme for the under privileged children at 7 Community Education Centres in proper & near Ranchi & in Khunti district of Jharkhand • Study Materials, Stationery, etc. (for FY 2020-21) [(Project Cost Rs. 40,000/-)]	Education	Vill.-PokharToli, IrgooToli (2 nos.), Argora, Ravidas Mohalla, BharamToli in proper & near Ranchi & Vill. – Rai of Khunti district of Jharkhand	3,889	--	--	Direct	Rs. 3,889/- has been provisioned for payment of GST.
			Sub-Total (4)	3,889	--	--		



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	Project or Programmes 1. Local area or Others 2. Specify the state and district (where projects or programmes were undertaken)	Amount spent on the projects or programmes for FY 2022-23 Sub-heads: 1. Direct expenditure on projects or programmes 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency		
5	Skill Development & Livelihood							
i)	Cloth, Stitching Materials, etc. (FY 2020-21) for Training of Students of 6 nos. Stitching Training Centres (Project Cost Rs. 45,000/-)	Women Empowerment Scheme (Employment/Livelihood Enhancing Vocational Skills)	Students of Stitching Training Centre at Mani Tola, Doranda Mistri Mohalla, Hinoo, Arogora, Kishoreganj, Jagannathpur in proper & near Ranchi, & Vill – Sungi of Khunti district of Jharkhand.	4,288	--	Direct		Rs. 4,288/- has been provisioned for payment of GST.
ii)	Providing New Stitching Machines (Project of FY 2020-21)		Village – Rai, Panchayat – Fudi, District – Khunti, State - Jharkhand	1,05,000	--	Direct		Re-approval for procurement has been obtained.
			Sub-Total (5)	1,09,288	--			
6.	Projects for Differently Aabled/ Divyangs							
i)	Renovation of Roof and False Ceiling alongwith Illumination facilities of Dining Hall-cum- Candle Making Section of Cheshire Homes India, Ranchi (A Home for Physically challenged Persons – Divyangs) (Approved Project of FY 2019-20)	Project for Divyang	Cheshire Homes India, Bariatu, Ranchi	10,00,293	14,33,844	Direct		1. Work completed in Sept., 2022 2. Final Bill under processing.
ii)	Renovation of Printing Section Building of Cheshire Homes India, Ranchi (A Home for Physically challenged Persons – Divyangs) (Approved Project of FY 2019-20)		Cheshire Homes India, Bariatu, Ranchi	18,15,001				
			Sub-Total (6)	28,15,294	14,33,844			



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	Project or Programmes 1. Local area or Others 2. Specify the state and district (where projects or programmes were undertaken)	Amount spent on the projects or programmes for FY 2022-23 Sub-heads: 1. Direct expenditure on projects or programmes 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency		
7	Social Welfare							
i)	Construction of Boys Hostel in Orphanage "Anmol Basera" (Project cost: Rs.34,96,160/-) (Approved Project of FY 2015-16)	Infrastructure Development Programme	Village – Sungi, Block – Karra, District – Khunti, State - Jharkhand	7,34,732	10,14,860 (in FY 19-20)+ 7,25,500 (in FY 20-21)+ 10,21,068 (in FY 21-22) = 27,61,428	Direct	1. Work completed in Mar., 2021. 2. Final Bill awaited from the Contractor.	
ii)	Construction of Borewell at Old Age Home (Project cost: Rs.3,05,660/-) (Approved Project of FY 2017-18)	Drinking Water	Adarsh Home (Old Age Home), Vill – Kulgu, Block – Nagri, Dist – Ranchi (Jharkhand)	3,05,660	2,61,724	Direct	• Work completed in Nov., 2020. • Work Amendment in Jan., 2022. • Bill submitted in Mar., 2022. • LD amount withheld.	
iii)	Construction of Community Centre (Project cost: Rs.40,55,205) (Carry-over project of FY 2013-14)	Infrastructure Development Programme	Akbarpur, Dist.-Khanpur 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)+ 7,78,161 = 21,32,771	Direct	• Payment released with respect to 6th RA Bill. /-Physical progress – 61.79% a) Financial progress – 52.59% • Balance work : Flooring, Plastering, Finishing of Windows, Electrical, Painting. Filling & Compaction of outer area, CI cover of Manhole, Boundary Wall, Gate, etc.	
			Sub-Total (7)	37,40,987	51,55,923			
8	Rural Development							
i)	Construction of Toilet complexes (14-Seater) (Project Cost Rs. 42,06,715/-) (Project of FY 2012-13)	Infrastructure Development Programme - Sanitation	Village Residential School (Pranavanand Vidya Mandir), Pancha Vill–Pancha, Block–Bundu, Dist-Ranchi (Jharkhand)	15,52,000	--	Direct	Work completed in July, 2015. LD amount withheld.	
ii)	Construction of Toilet complexes (10-seater toilet) (Project Cost Rs. 59,14,000/-) (Project of FY 2012-13)	Infrastructure Development Programme - Sanitation	Village – Pancha Block–Bundu, Dist-Ranchi (Jharkhand)	--	--	Direct	Work completed in Oct., 2015. LD amount withheld.	



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	Project 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 2022-23 Sub-heads : 1. Direct expenditure on projects or programmes 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency	
iii)	Construction of 1 no. Toilet complex (5-seater toilet) for Girls at Orphanage Hostel (Anmol Basera) (Project Cost Rs. 35,37,405/-) (Project of FY 2013-14)	Infrastructure Development Programme - Sanitation	Village – Sungi, Block – Karra Dist – Khunti, State – Jharkhand	15,52,000	--	--	Direct	Work completed in Sept., 2014. a) LD amount withheld. b) Contractor has submitted the documents related to its claim on LD.
iv)	Construction of 1 no. Toilet Complex (5-seater toilet) for Boys at Orphanage Hostel (Anmol Basera) (Project Cost Rs. 35,57,005/-) (Project of FY 2014-15)	Infrastructure Development Programme - Sanitation	Village – Sungi, Block – Karra Dist – Khunti, State - Jharkhand	23,54,848	2,50,406	5,33,985 (in FY 12-13)+ 13,22,260 (in FY 13-14)+ 3,31,480 (in FY 15-16)+ 4,25,390 (in FY 16-17)+ 1,63,285 (in FY 19-20)+ 3,06,320 (in FY 20-21)+ 4,76,215 (in FY 21-22)+ 2,50,406 (in FY 22-23) = 38,09,341	Direct	Work completed in Sept., 2016. LD amount withheld
v)	Construction of Toilet Complex in Adopted Village (Project cost: Rs.59,13,783/-) (Carry-over projects of FY 2012-13)	Infrastructure Development Programme - Sanitation	Village- PasaToli, Pancha, Block- Bundu, Dist.- Ranchi	20,66,830	--	--	Direct	a) Physical progress – 88% b) Financial progress – 64.41% c) Balance work: Electric Earthing, Painting, Floor Polishing, Solar PV System, Plinth protection etc. d) 8th RA Bill awaited from Contractor
vi)	Construction of Toilet Complex (8-Seater toilet) (Project cost: Rs.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) 1st RA Bill submitted by Contractor. e) Payment shall be released upon submission of EPF & ESI documents by Contractor. f) Balance work: Plastering, Flooring, Plumbing, Borewell, Doors, Windows, Sanitary Electrics, Finishing, Solar PV System, etc.
			Sub-Total (8)	59,73,678	2,50,406	38,09,341		
			Grand Total	1,46,31,223	29,87,698			

**BOARD'S REPORT ON CORPORATE SOCIAL RESPONSIBILITY**

For the Financial Year commenced on or after 01.04.2020

1. Brief Outline of CSR Policy of MECON Limited

As per Sl. No. 1 of Appendix-3

2. Composition of the CSR Committee

As per Sl. No. 2 of Appendix-3

3. Web-link(s) where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company<http://www.meconlimited.co.in/csr.aspx>**4. Executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.**

Not applicable

5. Total CSR obligation for the F.Y. 2022-23

(a) Average net profit of the company as per sub-section (5) of section 135 : Rs. 4,187.70 Lakh

(b) Two percent of average net profit of the company as per sub-section (5) of section 135. : Rs. 83.75 Lakh

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years. : -

(d) Amount required to be set-off for the financial year, if any. : -

(e) Total CSR obligation for the financial year [(b)+(c)+(d)] : Rs. 83.75 Lakh

6. (a) Amount spent on CSR projects (Both Ongoing Project and other than Ongoing Project) : Rs. 1.02 Lakh

(b) Amount spent in Administrative Overheads : Rs. 3.07 Lakh

(c) Amount spent on Impact Assessment, if applicable : Not applicable

(d) Total amount spent for the Financial Year (a+b+c) : Rs. 4.09 Lakh

(e) 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 to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
4,09,104/- (~Rs. 4.09 Lakh)	NIL	-	PM CARES Fund	79,65,896/- (Rs. 79.66 Lakh)	20.09.2023

Note: The Break-up of Rs. 83.75 Lakhs is as follows : Rs. 4,09,104/- + Rs. NIL- + Rs. 79,65,896/-.



(f) 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 sub-section (5) of section 135	Rs. 83,75,000/-
(ii)	Total amount spent for the Financial Year	Rs. 4,09,104/-
(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)	---

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount spent in the Financial Year (in Rs.)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years (in Rs.)	Deficiency, if any
					Amount (in Rs.)	Date of transfer		
1.	2021-22	17,29,530/-	17,29,530/-	6,62,377/-	16,79,000/-	22.08.2022	10,67,153/-	
2.	2020-21	84,28,017/-	13,02,364/-	4,07,100/-	---	---	8,95,264/-	
3.	---	---	---	---	---	---	---	

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year : No

9. Reasons for failure to spend two per cent of the average net profit as per sub-section (5) of section 135

i) CSR budget and list of activities for the FY 2022-23 was approved during 256th Board Meeting held on 23.06.2022. However, the Minutes of the Board Meeting was received in late July 2022 and accordingly CSR activities, as per Annual Plan, were initiated.

ii) During CSR Committee's 29th Meeting held on 25.08.2022, the Chairperson suggested that the existing CSR Policy be revisited to enable engagement of external agencies, in line with the prevailing provisions of the Companies Act, 2013, Rules made thereunder and Government guidelines and place the updated Policy before the CSR Committee for recommendation, and subsequently placing it to the Board for approval.

Further, on account of above and as per the noting of the above Meeting, all the Board approved projects of FY 2022-23 were kept on HOLD, until the Policy was amended/approved.

iii) During 257th Board Meeting held on 21.09.2022, the Board advised the Management to make a presentation to provide an overview / insight on the existing CSR Policy and the suggested modifications, for its deliberation.



- iv) During the 258th Board Meeting held on 17.01.2023, the Board decided to defer the presentation on CSR Policy and the proposal (Policy & Revised Annual Action Plan for FY 2022-23) till the requirement of 5 (five) Directors is met.
- v) Thus, till the end of FY 2022-23, the CSR Project / activities envisaged for FY 2022-23 could not be taken-up.

Sd/-
Shri Sanjay Kumar Verma
Director (Commercial)
DIN: 08600373

Sd/-
Dr. Sanjay Roy
Chairman (CSR Committee)
DIN: 10045280



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. INTRODUCTION

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

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

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

2. SWOT ANALYSIS

I. STRENGTHS

- a. Multi-disciplinary, experienced, and capable pool of engineers, scientists and technologists in various specialized technical disciplines.
- b. Vast knowledge repository and reference materials, being a legacy design, engineering and consultancy organization.
- c. Core competency in providing end-to-end solutions in the area of metals and mining with established market recognition.
- d. Capability in equipment and system design, supply and execution in ferrous sector.
- e. Prominent presence in gas pipelines project of GAIL (Long Distance Pipe Line and City Gas Distribution etc.)
- f. In-house Environmental Engineering Laboratory. NABET/ QCI Accreditation for 16 sectors.
- g. Relatively low average age of employee due to regular induction of young professionals.
- h. Good credentials with financial institutions and regulatory authorities.
- i. Wide network of offices at various locations across the country.
- j. MoU with global technology providers to provide end to end solution covering the entire value chain of steel sector.

II. WEAKNESSES

- a. High incidence of employee benefit expense as compared to some of the competitors, especially in the private sector.
- b. Depletion of critical knowledge, skills in certain areas on account of superannuation and separation of experienced manpower.



- c. Skewed organization structure (still under transition).
- d. Inadequate experienced manpower for execution activities at project sites.
- e. Consolidation of strength in diversified sectors may take some more time.
- f. Very limited presence in the overseas market.
- g. Public sector limitation in operational flexibility.

III. OPPORTUNITY

- a. Indigenous opportunities through Atmanirvar Bharat Abhiyan of GOI anticipated future investments in mining, beneficiation, agglomeration & pelletisation, slurry transportation, coal washeries and coal gasification
- b. Anticipated future investments in mining, beneficiation, agglomeration / pelletisation, slurry transportation, coal washeries and coal gasification.
- c. Possible future investment in steel sector in view of the National Mission of 300 Mt crude steel capacity by 2030-31.
- d. Large scale investments in other diversified sectors viz. - oil & gas, infrastructure, strategic sectors, power transmission & distribution, and renewable energy sector.
- e. 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.
- f. 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.
- g. 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 (PLI) scheme for specialty steel etc.

IV. THREATS

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



3. BUSINESS OUTLOOK

¹GLOBAL ECONOMIC SCENARIO

More than three years after the coronavirus touched off the deepest global recession since World War II, the world economy remains hobbled—far short of the strength that will be necessary to make substantial progress on global ambitions to eliminate extreme poverty, counter climate change, and replenish human capital. After growing 3.1% last year, the global economy is set to slow substantially in 2023, to 2.1%, amid continued monetary policy tightening to rein in high inflation, before a tepid recovery in 2024, to 2.4%. Tight global financial conditions and subdued external demand are expected to weigh on growth across emerging market and developing economies (EMDEs). Tight global financial conditions and subdued external demand are expected to weigh on growth across emerging market and developing economies (EMDEs). Projections for many countries have been revised down over the forecast horizon, with upgrades primarily due to stronger-than-expected data at the beginning of 2023 more than offset by downgrades thereafter. Inflation has been persistent but is projected to decline gradually as demand weakens and commodity prices moderate, provided longer-term inflation expectations remain anchored.

Global trade is being dampened by subdued global demand and the continued rotation of consumption toward services. Energy prices have eased considerably since their peak in 2022 as a result of weaker global growth prospects and a warmer-than-usual winter, which reduced demand for energy for heating. Core inflation around the world has been persistent, resulting in continued monetary tightening. EMDE financial conditions continue to be restrictive, with less creditworthy borrowers facing greater financial strains. The global trade growth is forecast to slow from 6% in 2022 to 1.7% in 2023. As global consumption returns to its pre-pandemic mix between goods and services, trade is expected to recover to 2.8% in 2024.

Services could emerge as a new engine of global growth. Future growth opportunities linked to greater digitalization could boost productivity in EMDE services sectors. Increased digitalization has improved prospects for economies of scale and innovation in the services sector that previously required face-to-face interactions. Policies to support the diffusion of digital technologies in EMDEs can bring particularly high returns, given the low starting level of digitalization in the services sector. Investing in information and communication technology infrastructure, updating regulatory frameworks, and strengthening management capabilities and worker skills, can boost the adoption of digital technologies. Policies to improve market access for, and skills in, ICT and professional services could ease constraints on growth.

1. Source : World Bank

²INDIAN ECONOMIC SCENARIO

India, the third-largest economy in the world in Purchasing Power Parity (PPP) terms and the fifth-largest in market exchange rates, has reinforced the country's belief in its economic resilience as it has withstood the internal and external challenges alike such as of mitigating external imbalances caused by the Russian-Ukraine conflict without losing growth momentum in the process. The Indian economy appears to have moved on addressing the challenges posed by the pandemic, staging a full recovery,

¹Source: World Bank

²Source: Economic Survey; PIB, Ministry of Commerce



ahead of many nations and positioning itself to ascend to the pre-pandemic growth path in Financial Year (FY) 2023-24.

The advance GDP estimates for the year 2022-23 is around 7% and GDP growth of 6.0%-6.8% is expected in 2023-24, depending on the trajectory of economic and political developments globally. The optimistic growth forecasts stem from a number of positives like the rebound of private consumption, higher Capital Expenditure (Capex), near-universal vaccination coverage, return of migrant workers to work in construction sites, the strengthening of the balance sheets of the corporates and well-capitalized public sector banks for credit supply.

According to the Economic Survey 2022-2023, the Capital Expenditure (Capex) of the central government increased by 63.4% in the first eight months of FY23 and became major driver of the Indian economy in the current year. A sustained increase in private Capex is also imminent with the strengthening of the balance sheets of the Corporates. India's inflation rate moderated to 5.7% in December 2022 from 5.9% a month earlier. The easing was primarily driven by the sharp moderation in food inflation. Average Wholesale Price Index remained 11.5% and Consumer Price Index was 6.8% for the period of April-December 2022. However, the issue of inflation (due to increased commodity prices due to European strife), widening Current Account Deficit (CAD), and slowdown in global economy can be a challenge for the Indian Economy in the upcoming time. The widening of the CAD (4.4% of the GDP in the quarter ending September 2022) may also continue as global commodity prices remain elevated and the growth momentum of the Indian economy remains strong.

PMI manufacturing has remained in the expansion zone since July 2021, and its sub-indices indicate an easing of input cost pressures, improving supplier delivery times, robust export orders, and future output.

India's overall exports projected to scale new heights, growing at 13.84% t during FY 2022-23 over FY 2021-22 to achieve USD 770.18 billion worth of exports. Merchandise exports have registered highest ever annual exports of USD 447.46 billion with 6.03% growth during FY 2022-23 surpassing the previous year (FY 2021-22) record exports of USD 422.00 billion.

Services export lead the overall exports growth and projected to set a new record annual value of USD 322.72 billion with growth rate at 26.79% during FY 2022-23 over FY 2021-22. Merchandise imports for the period FY 2022-23 (April-March) were USD 714.24 Billion as against USD 613.05 Billion during FY 2021-22 (April-March). The merchandise trade deficit for FY 2022-23 (April-March) was estimated at USD 266.78 Billion as against USD 191.05 Billion during FY 2021-22 (April-March).

4. INTERNAL CONTROL SYSTEMS AND ADEQUACY THEREOF

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

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

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



Salient facets of the internal control system are:

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

5. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the Financial Year 2022-23, your Company has achieved Turnover of Rs 85,496.72 Lakhs. Turnover from Consultancy jobs is Rs 41,182.29 Lakhs, mainly from execution of consultancy order for GAIL, NMDC, different Steel Plants of SAIL, etc. Turnover from Consultancy constituted 48.17% of the total turnover, turnover from Turnkey Projects constituted 45.08% of total turnover, turnover from Procurement Services constituted 1.30% of total turnover and turnover from Operations and Maintenance constituted 5.45% of total turnover. Total turnover has increased by 45.73% over the previous year.

The Company has achieved highest ever Revenue from Operations of Rs 88,945.92 lakhs during the FY 2022-23, marking a significant growth of 47.08% over previous financial year. The EBITDA of the Company during the FY 2022-23 is Rs 4,368.22 Lakhs which has remarkably increased by 56.26% over previous financial year. During the FY 2022-23 Profit before tax is Rs 3,400.80 Lakhs and Profit after tax is Rs 3,100.93 Lakhs which grew by 74.07% and 126.37% respectively over previous financial year.

During the Financial Year 2022-23, the Company has earned interest of Rs 2,538.72 Lakhs through



term deposits with scheduled banks.

The Net Worth of the Company has increased from Rs 43,175.40 Lakhs as on 31.03.2022 to Rs. 46,050.42 Lakhs as on 31.03.2023, i.e., increase by Rs 2,875.02 Lakhs compared to previous year.

The highlights of financial performance of the Company for the financial year 2022-23 with respect to financial year 2021-22 are mentioned below:

(Rs in Lakh)

Particulars	FY 2022-23	³ FY 2021-22
Turnover	85,496.72	58,667.12
Revenue from Operations	88,945.92	60,476.29
Total Income	94,594.29	64,121.06
Purchase of Equipments & Direct Expenses	45,000.41	19,076.02
(Accretion) / Decretion to Jobs-in-Progress	687.14	549.13
Employee Benefit Expenses	33,654.01	32,415.60
Other Expenses	12,985.27	9,284.80
Exceptional Items	2,100.76	-
EBITDA	4,368.22	2,795.51
Finance Costs	221.44	151.37
Depreciation and Amortisation Expenses	745.98	690.48
Profit / (Loss) Before Tax	3,400.80	1,953.66
Profit / (Loss) After Tax	3,100.93	1,369.85
Total Comprehensive Income	1,377.41	1,183.79
Property Plant & Equipments	6,879.70	6,823.53
Capital Work In Progress	1,600.78	723.30
Intangible Assets	147.16	91.63
Financial Assets (Current and Non-Current)		
Investment	11.92	11.92
Trade Receivables	37,120.46	38,357.27
Loans	881.54	657.76
Cash and Bank Balance	67,281.93	71,331.65
Other Financial Assets (Excluding Bank Balance)	6,533.93	5,824.19
Tax Assets (Net)	13,952.28	12,754.33
Other Assets (Current and Non-Current)	10,262.19	5,991.72
Financial Liabilities (Current and Non-Current)		
Trade Payables	26,057.03	19,277.08
Other Financial Liabilities (Current and Non-Current)	25,444.08	29,370.27
Other Liabilities (Current and Non-Current)	19,146.83	22,882.40
Provisions (Current and Non-Current)	34,579.90	32,745.00
Net Worth	46,050.42	43,175.40
Share Capital	4,013.84	4,013.84
Capital Employed	27,636.22	21,384.74

³Restated due to reclassification



The key financial ratios with respect to your Company is as follows:-

Particulars	FY 2022-23	⁴ FY 2021-22
Current Ratio	1.72	1.68
Debt-Equity Ratio	NIL	NIL
Debt Service Coverage Ratio	NIL	NIL
Return on Equity Ratio	0.08	0.04
Trade Receivables Turnover Ratio	2.27	1.44
Trade Payables Turnover Ratio	1.99	0.98
Net Capital Turnover Ratio	1.69	1.18
Net Profit Ratio	0.04	0.02
Return on Capital Employed	0.13	0.10

During the Financial Year 2022-23, MECON contributed Rs. 16,541.76 Lakhs to the national exchequer by way of payment of taxes and duties to various government.

6. CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per Section-135 of the Companies Act, 2013, Average Net Profit of your Company for the preceding three financial years (i.e. FYs 2019-20, 2020-21 & 2021-22) was Rs. 4,187.70 Lakhs. Thus, as per the Act, 2% of Average Net Profit i.e. Rs. 83.75 Lakhs was allocated as CSR Fund for FY 2022-23.

The various CSR projects / activities carried out by your Company under its CSR Policy during FY 2022-23, from the total available CSR fund of Rs. 277.11 Lakhs (Allocated fund of Rs. 83.75 Lakhs for FY 2022-23 + Carry-over fund of previous years) are Nutrition & Healthcare, Education, Skill Development & Livelihood, Project for Divyang, etc. in Adopted Villages / Other places of Ranchi & Khunti districts of Jharkhand, which are the Aspirational Districts (As identified by NITI Aayog).

The details of CSR Projects / Activities carried out by your Company are highlighted in [Appendix- 3 and 4](#) to the Board Report. The Management of your Company always lays thrust upon timely completion of the CSR projects/ activities so that its benefit is passed on to the end user.

⁴Restated due to reclassification



APPENDIX- 6

COMPLIANCES OF THE RECOMMENDATION MADE BY THE COMMITTEE ON PAPER LAID ON TABLE (RAJYA SABHA) IN ITS 150th REPORT

Status of Pending CAG Paras and Management replies thereon as per the recommendation of the Committee on Paper Laid on the Table (Rajya Sabha) in its 150th Report is as under:-

Sl. No.	Name of the Audit Para	Brief of the Para	Status
1	Audit Para No. 22.3.1 of CAG's Report No.12 of 2006	Loss of Rs.4.63 Crores for construction of Retail Outlets for M/s IOCL in Maharashtra & Gujarat	MECON had made many initiatives in the past to resolve the long pending issue amicably and realize its dues as per CAG report, since completion of the subject works. After intervention of Ministry of Steel and Ministry of Petroleum and Natural Gas, IOCL agreed for a meeting with MECON. MECON vide letter dated 07.09.2022 nominated its nodal officer and constituted a committee to deliberate on the issue with IOCL.
2	Audit Para No. 22.3.2 of CAG's Report No.12 of 2006	Extra expenditure of Rs.3.4 Crores in execution of Contract for construction of pipeline terminal at Amousi, Lucknow for M/s IOCL	<p>MECON team / committee led by Executive Director, MECON Delhi attend the meeting with IOCL, Mumbai on 18.10.2022 where MECON made a presentation before IOCL team – led by their ED (E&PF), IOCL, Mumbai. On request of IOCL MECON also furnished set of available documents related to the matter and requested IOCL for settlement of the case at the earliest.</p> <p>IOCL requested MECON to allow some time to go through the documents shared by MECON and thereafter proposed another meeting through VC in the first week of November, 2022.</p> <p>Thereafter, MECON made many follow-ups with IOCL vide our mails / message dated 03.11.2022, 14.11.2022 and 21.11.2022 as well as through telecons requesting IOCL for the second meeting.</p> <p>Second VC meeting could be held with IOCL on 29.11.2022 where in, IOCL indicated that subject case is already closed at their end and refused to review it afresh.</p> <p>Draft Minutes of Meeting (MoM) dated 29.11.2022 was sent to IOCL vide mail dated 30.11.2022 for their review and signature. Subsequently, the same was followed up by MECON vide e-mail dated 03.12.2022. IOCL yet to sign the MoM dated 29.11.2022.</p>



REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY

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

2. COMPOSITION OF THE BOARD OF DIRECTORS

Your Company being a Government Company within the meaning of Section 2(45) of the Companies Act, 2013 ('Act'), appointment of all Directors is done by the President of India through the administrative Ministry i.e. Ministry of Steel. The composition of the Board is as per the Guidelines on Corporate Governance issued by Department of Public Enterprises (DPE) applicable to all Central Public Sector Enterprises (CPSEs).

The Articles of Association (AoA) of the Company stipulate that the number of Directors shall not be less than five and not more than thirteen. As on 31.03.2023, the Board of MECON comprised of three Whole time/ Functional Directors and two Government Nominee Directors.

¹The composition of the Board of MECON is as follows:-

CMD & Whole time Directors	Shri Ajit Kumar Saxena, CMD (Addl. Charge) DIN: 08588419
	Shri S. K. Verma, Director (Commercial) DIN: 08600373
	Shri Mukesh Kumar, Director (Finance) DIN: 08778135
	Shri Amit Raj, Director (Technical) DIN: 10302193
	Shri Pradumn Kumar Dixit, Director (Projects) DIN: 10308148
Government Nominee Directors	Smt. Sukriti Likhi IAS DIN: 01825997
	Dr. Sanjay Roy DIN: 10045280
Independent Director	² NIL

The Chairman and Managing Director (CMD) and other Whole- time Directors are appointed for a period of five years or till the age of superannuation or until further orders, whichever is earlier. Government Nominee Directors representing Ministry of Steel, continue to hold directorship as per the order issued by the Ministry of Steel, Government of India and the same is co-terminus with their position in the Ministry of Steel, Government of India. The Independent Directors are usually appointed for a period of three years.

¹ As on the date of AGM

² During the F.Y. 2022-23, Company had only 01 Independent Director (Smt. Manju Chandra), who ceased to be the Director of the Company on completion of her appointment tenure on 20.10.2022



The Directors neither held membership of more than 10 Committees nor acted as Chairperson of more than 5 Committees as specified in Clause 3.3.2 of the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises across all the companies in which they were Directors. None of the Directors hold any shares in the Company. Shri Ajit Kumar Saxena, CMD (Addl. Charge) and Dr. Sanjay Roy, Government Nominee Director each holding 120 equity shares of Rs. 10/- as a nominee shareholder to the President of India. There is no *inter-se* relationship between the Directors of the Company.

3 BRIEF PROFILE OF EXISTING DIRECTORS

Whole time Directors including CMD

Shri Ajit Kumar Saxena, CMD (Addl. Charge)

Shri Ajit Kumar Saxena, CMD, MOIL Limited has assumed the Additional Charge of the post of CMD, MECON Limited w.e.f. 18.08.2023. He holds B. Tech degree from Institute of Technology, Banaras Hindu University in Metallurgy and also acquired MBA degree.

He has over 36 years of experience in Steel Sector with wide experience in technical, operational and project management areas.

He started his career as a Management Trainee (Technical), SAIL in 1986. He worked in various assignments in SAIL starting with Bhilai Steel Plant and worked in various positions during his long tenure in SAIL.

Earlier, he has worked as Director (Operations) of RINL-Vishakhapatnam Steel Plant, Chief General Manager, Mills, IISCO, Burnpur, SAIL.

He has received “Young Metallurgy of the year Award” for the year 2000 from Ministry of Steel, Govt. of India.

Shri Sanjay Kumar Verma, Director (Commercial)

Shri Sanjay Kumar Verma, did his B.Sc (Mechanical Engineer) in 1988 from BIT Sindri, holding extensive knowledge and experience in the field of Blast Furnaces. He played an instrumental role in successful running of more than 19 Blast Furnaces. Shri Verma has been spearheading his campaign to bring the Indian Blast Furnaces as par with global standards and even excelling over them.

Apart from being a true technologist, he also holds experience in marketing activities. Under his leadership, MECON has successfully galvanized the business development, marketing and contracting activities resulted in Substantial Business procurement growth and signing of number of MoUs with strategic partners.

Shri Verma has also enriched the engineering and academic fraternity by his numerous publications published over a range of journals and seminar compendiums. Shri. Verma is a recipient of many accolades from the Industry including Award of excellence from Indian Institute of Metals and “Bharat Ratna Sir Mokshagundam Visvesvaraya Life time Achievement Award ” from IE(I)

Shri Mukesh Kumar, Director (Finance)

Shri Mukesh Kumar has taken over as the Director (Finance) of MECON on 7th December, 2022. Born on 1972, Shri Kumar is an Associate Member of the Indian Institute of Cost Accountants of India (ICAI) and also holds management degree in Finance.



Before his joining in MECON as Director (Finance), he has served The Braithwaite Burn & Jessop Construction Company Limited, Kolkata as Director (Finance) since July, 2020. He has also being appointed as Director (Finance)- Additional Charge on the Board of Scooters India Limited, Lucknow for the period August, 2020 to August, 2022.

Prior to his Board level appointment in The Braithwaite Burn & Jessop Construction Company Limited, he has served in Project & Development India Limited (PDIL) for 12 years. Shri Kumar has rich and varied experience of more than 24 years working in Government, Public & Private Sectors with wide exposure in all aspects of Corporate Accounts & Financial Management.

Shri Amit Raj, Director (Technical)

Shri Amit Raj assumed charge of the post of Director (Technical), MECON Limited on 31st August, 2023. Born on 09.01.1969 at Patna, Shri Amit, a 1989 Mechanical Engineering graduate from NIT, Warangal, joined MECON in the year 1993, after working in Hindustan Petroleum Corporation Limited for more than 3 years. Shri Amit also acquired Post Graduate Diploma in Management in 2002.

He is an accomplished technocrat with more than 33 years of rich & diverse experience in Engineering, Erection, Commissioning and Project Management, including Site Services as well as Contract Management across Public and Private sector clients.

He has extensive experience in the field of Coke Oven Batteries and Coke Dry Cooling Plants, having worked on these projects from Concept to Commissioning.

He was also instrumental in development of indigenous 1.0 MT Jumbo Top Charge Coke Oven Battery which also received Patent from the Government of India.

Shri Pradumn Kumar Dixit, Director (Projects)

Shri Pradumn Kumar Dixit assumed the charge of Director (Projects) at MECON on 05.09.2023. Born on the 12th October, 1965, Shri Dixit did his B.Tech in Civil Engineering from IIT, Kharagpur in 1988 followed by M.Tech. in Industrial & Management Engineering from IIT, Kanpur in 1995 and thereafter PGDBM from IMT, Ghaziabad in 2010.

He joined MECON as a Management Trainee (Tech) in 1988 and over the years he has had a wide ranging and rich experience in Consultancy as well as EPC Projects executed by MECON.

During his nearly 35 years of service, he worked in variety of sectors starting from Steel sector and subsequently moved to Infrastructure and presently Oil & Gas sector with rich exposure to Technical, Commercial as well as Techno-commercial domains.

Government Nominee Directors

Smt. Sukriti Likhi, IAS, Government Nominee Director and ASFA, Ministry of Steel

Smt. Sukriti Likhi is Additional Secretary and Financial Adviser to the Ministry of Steel, Government of India. She belongs to the Indian Administrative Service. An Economics graduate from Lady Shri Ram College, she holds a Master's degree in Sociology from the Delhi School of Economics and a Masters in Public Administration from Harvard University. Presently, Smt. Likhi is also Director on the Board of SAIL, NMDC, RINL, MOIL, KIOCL, MECON and NMDC Steel Limited.

Most recently she was Additional Secretary, Ministry of Heavy Industries, Government of India. Her varied experience in administration includes working in the Ministry of Finance, as Director in the Department of Financial Services, later as Counsellor (Economic) with the Embassy of India at



Washington DC. In the Haryana State Government her experience includes Finance, Urban Development and food procurement as MD Hafed.

Dr. Sanjay Roy, Government Nominee Director and Joint Secretary, Ministry of Steel

Dr. Sanjay Roy, Joint Secretary, Ministry of Steel, Government of India, belongs to the Indian Information Service (Cadre-1997). He holds a MBBS degree from University College of Medical Sciences, New Delhi. He has done foundation course from HCM Rajasthan, Institute of Public Administration in 1997 and got training in media Management and Communication from Queensland University of Technology, Brisbane, Australia and Training in Management Skills and Media at Berkely, US.

He has vast experience in administration which includes working as Officer on Special Duty, Information Policy Planning, Ministry of Information & Broadcasting, Joint Director, North West Zone in Directorate of Field Publicity, Ministry of I&B, Director, Jammu & Kashmir Affairs, Ministry of Home Affairs, Director (PMSSY & Director Medical Education) in Ministry of Health and Family Welfare.

4. BOARD MEETINGS

The Board meets statutorily and also as many times as may be warranted. The Board Meetings of the Company are convened as per the requirement of Section 171 of the Companies Act, 2013. In order to address specific urgent needs, meetings are convened at a shorter notice. Resolutions are also passed by way of circulation in the eventuality of exigencies or urgency.

During the year under review, 03 Board Meetings were convened which was attended by all the present Directors of the Company. The details of the meeting is as follows:-

Date of Meeting	Board Strength	Number of Directors Present
23.06.2022	7	7
21.09.2022	6	6
17.01.2023	4	4



The attendance of Directors in Board Meeting, directorship in other companies and details on attendance at the last AGM is as follows:

Name of director	Attendance at the Board Meeting held during F.Y. 2022-23		Directorship held in other companies	Committee Membership/ Chairmanship (excluding MECON)	Whether 49th AGM held on 18.10.2022 was attended
	Meeting held during tenure	Attended meeting			
Whole time Directors					
Shri Salil Kumar, Director (Projects) & CMD (Addl. Charge) DIN: 08061107 (upto 31.10.2022)	02	02	Director 1. GPCL Consulting Services Limited	-	Yes
Shri R. H. Juneja, Director (Finance) DIN: 08100804 (upto 30.11.2022)	02	02	-	-	Yes
Shri S. K. Verma, Director (Commercial) DIN: 08600373	03	03	Director 1. ³ GPCL Consulting Services Limited	-	Yes
Shri A. K. Agrawal, Director (Technical) DIN: 08751440	03	03	-	-	Yes
Shri Mukesh Kumar, Director (Finance) DIN: 08778135 (w.e.f. 07.12.2022)	01	01	-	-	NA
Government Nominee Directors					
Smt. Rasika Chaube, DIN: 08206859 (upto 30.06.2022)	01	01	⁴ Director 1. NMDC Limited	-	NA
Smt. Sukriti Likhi DIN: 01825997	03	03	⁵ Director 1. NMDC Limited 2. RINL 3. KIOCL 4. SAIL 5. NMDC Steel Limited	-	No
Dr. Sanjay Roy DIN: 10045280 (w.e.f. 09.03.2023)	NIL	NIL	⁶ Director 1. MOIL 2. KIOCL	-	NA
Independent Director					
Smt. Manju Chandra, DIN: 08605784 (upto 20.10.2022)	02	02	-	-	Yes

³As per disclosure in form MBP-1 as on 08.06.2023

⁴As per disclosure in form MBP-1 as on 01.04.2022

⁵As per disclosure in form MBP-1 as on 01.04.2023

⁶As per disclosure in form MBP-1 as on 03.05.2023



5. BOARD LEVEL COMMITTEES

There are three Board level Committees; details of which are as follows.

5.1 Audit Committee

5.2 Corporate Social Responsibility Committee

5.3 Nomination and Remuneration Committee

Till 20.10.2022, your Company had only one Independent Director on its Board. Accordingly, Board level Committees have been suitably reconstituted with the mix of Government Nominee Directors and Whole time Directors within the permissible legal framework for functioning of these Committees.

5.1 Audit Committee

The role of the Audit Committee covers all matters specified in Section 177 of the Companies Act, 2013 and Guidelines on Corporate Governance issued by DPE. The DPE Guidelines on Corporate Governance provides that the Audit Committee shall have minimum three Directors as members. Two-thirds of the members of Audit Committee shall be Independent Directors. Further, the Chairman of the Audit Committee shall be an Independent Director. In your Company, Director (Finance) and CMD are the permanent invitees for the Audit Committee Meetings. The Company Secretary acts as the Secretary to the Audit Committee.

During the F.Y. 2022-23, Audit Committee was in existence till 20.10.2022. The last reconstituted Audit Committee comprised of following directors:-

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

Since 21.10.2022, the Company does not have any Independent Director on its Board and accordingly, Audit Committee could not be reconstituted. The proposals of the Audit Committee are submitted to the Board for its consideration and approval. After the appointment of Independent Directors by the Government of India, the Audit Committee will be reconstituted in terms of the requirement of DPE Guidelines on Corporate Governance.

During the F.Y. 2022-23, 02 Audit Committee Meetings were convened which were attended by all the members of the Committee. The details of the Audit Committee Meeting is as follows:-

Date of Meeting	Committee Strength	Number of Members Present
23.06.2022	04	04
21.09.2022	03	03



Attendance of the Directors in the Audit Committee Meeting during the FY 2022-23 is as follows:-

Name of Directors	Number of Meetings held during tenure	Number of Meetings attended
Smt. Manju Chandra, Chairperson	02	02
⁷ Smt. Rasika Chaube, Member	01	01
Smt. Sukriti Likhi, Member	02	02
Shri S. K. Verma, Member	02	02

5.2 Corporate Social Responsibility (CSR) Committee

The Board has constituted a CSR Committee as required under Section 135 of the Companies Act, 2013. The terms of reference of the Committee is as per the requirement of Section 135 of the Companies Act, 2013 read with Companies (CSR Policy) Rules, 2014 and Government Guidelines issued on CSR from time to time. Generally, the Chairman of the CSR Committee is an Independent Director. However, in order to allow the Committee to function, Government Nominee Directors act as Chairman when no Independent Director is available in the Company. The Company Secretary acts as the Secretary to the CSR Committee.

The Board has adopted the ⁸CSR Policy as formulated and recommended by the Committee. The Annual Report on CSR activities for the F.Y. 2022-23 forms part of the Board's Report.

⁹The last reconstituted CSR Committee for the F.Y. 2022-23 comprised of following :-

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

During the year under review, 02 CSR Committee meetings were convened which was attended by all the Committee members. The details of the CSR Committee Meeting is as follows:-

Date of Meeting	Committee Strength	Number of Members Present
29.04.2022	03	03
25.08.2022	03	03

Attendance of Directors in the CSR Committee during the FY 2022-23 is as follows:-

Name of Directors	Number of Meetings held during tenure	Number of Meetings attended
Smt. Manju Chandra, Chairperson	02	02
Shri. R.H. Juneja, Member	02	02
Shri. S. K. Verma, Member	02	02

⁷ Appointment tenure ended on 30.06.2022 and accordingly attended the Audit Committee held on 23.06.2022

⁸ Available on the website of the Company at <http://www.meconlimited.co.in/csr.aspx>

⁹ With the cessation of appointment tenure of Smt. Manju Chandra on 20.10.2022 and superannuation of Shri R. H. Juneja on 30.11.2022, the Board in its 259th meeting held on 06.04.2023 reconstituted CSR Committee with Dr. Sanjay Roy as Chairman and Shri Mukesh Kumar as member of the Committee, replacing Smt. Manju Chandra and Shri R. H. Juneja respectively.



5.3 Nomination and Remuneration Committee (NRC)

The NRC formulates and reviews policies related to remuneration / perquisites / incentives within the parameters of Guidelines issued by the Government of India. MECON, being a Government Company, the performance evaluation of Directors is carried out by the Administrative Ministry i.e. Ministry of Steel, as per applicable Government guidelines. However, inputs on performance of Independent Directors are being provided to administrative Ministry as well as DPE as and when called for.

The terms of reference to NRC is as provided under DPE Guidelines on Corporate Governance. The functions of the NRC were specified and approved by the Board. As per DPE Guidelines on Corporate Governance, NRC shall comprise of atleast three Directors, all of whom should be part-time Directors (i.e Nominee Directors or Independent Directors). The Committee should be headed by an Independent Director. The Company Secretary acts as the Secretary to the NRC.

The last reconstituted NRC comprised of following Directors:-

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

During the entire F.Y. 2022-23, your Company had only 01 Independent Director on its Board out of the sanctioned strength of 03 Independent Directors. With effect from 21.10.2022, the said post of Independent Director also vacated when Smt. Manju Chandra ceased to be the director of the Company due to completion of her appointment tenure.

Further, out of the two Government Nominee Directors appointed on the Board, one Government Nominee Director i.e. Smt. Rasika Chaube ceased to be the director due to withdrawal of nomination by the Government of India effective from 30.06.2022. Since 01.07.2022 your Company had only one Government Nominee Director till 09.03.2023. Accordingly, NRC meeting cannot be convened during the F.Y. 2022-23. After the appointment of Independent Directors, the NRC shall be reconstituted as per the DPE Guidelines on Corporate Governance.

Remuneration / Compensation to Members of the Board

The terms and conditions of appointment of Whole time Directors including CMD is decided by the Government of India. The CMD and Whole-time Directors are paid monthly remuneration as fixed by the Government of India. The Government Nominee Directors are not paid any remuneration. The Independent Directors are not entitled to any remuneration other than sitting fee and are not entitled to any stock options.

Independent Directors are paid sitting fees of Rs. 20,000/- for attending the Board Meeting whereas Rs. 15,000/- for attending the Board level Committee meetings including Separate Meeting of Independent Directors. Additionally, Company bears all the expenditure of Directors for attending the meetings.

The details of sitting fees paid to Smt. Manju Chandra, former Independent Director for attending 02 Board Meetings and 03 Board level Committee Meetings is as follows:-

Name of Director	Sitting Fees (in Rs.)		Total (in Rs.)
	Board Meetings	Board level Committee Meetings	
Smt. Manju Chandra, Independent Director	40,000	60,000	1,00,000



The details of remuneration paid/ payable to Whole time Directors during the F.Y. 2022-23 is as follows:-

Name of Director	Salary, allowances and other benefits (in Rs.)
Shri Salil Kumar, Director (Projects) & CMD (Addl. Charge) (upto 31.10.2022)	41,05,887
Shri R. H. Juneja, Director (Finance) (upto 30.11.2022)	36,04,784
Shri S. K. Verma, Director (Commercial)	49,59,989
Shri A. K. Agrawal, Director (Technical)	51,77,309
Shri Mukesh Kumar, Director (Finance) (w.e.f. 07.12.2022)	14,39,319

6. SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the entire F.Y. 2022-23, your Company had only 01 Independent Director on its Board out of the sanctioned strength of 03 Independent Directors. With effect from 21.10.2022, the said post of Independent Director also vacated when Smt. Manju Chandra ceased to be the director of the Company due to her completion of appointment tenure. Accordingly, Separate Meeting of Independent Director could not be held during the year.

MECON, being a Government Company, the appointment of all Directors including Independent Directors is made by the Government of India. As the sufficient number of Independent Directors is appointed, your Company will proceed for convening atleast 01 Separate Meeting of Independent Directors.

7. GENERAL MEETING

7.1 Annual General Meeting

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

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

Year	Date and time	Venue	Whether Special Resolution passed
47 th AGM for the FY 2019-20	04.12.2020 at 03.00 PM	CMD Conference Room, 1 st Floor, MECON Limited, Doranda, Ranchi	No
48 th AGM for the FY 2020-21	30.10.2021 at 12.00 PM	OU DH Conference Hall, Hotel Ashok, Chanakyapuri, New Delhi	No
49 th AGM for the FY 2021-22	18.10.2022 at 11.30 AM	OU DH Conference Hall, Hotel Ashok, Chanakyapuri, New Delhi	No

7.2 Extra-ordinary General Meeting

No Extra- ordinary General Meeting of members was held during the F.Y. 2022-23 as there was no 'special business' as prescribed under Section 102(2) of the Companies Act, 2013.



8. OTHER DISCLOSURES

8.1 Shareholding pattern

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

8.2 Proceeds from Public Issue, Right Issue and Preferential Issue

The Company has not raised any money from Public Issue, Right Issue or Preferential Issue during the F.Y. 2022-23.

8.3 Related party transactions

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

8.4 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.

8.5 Code of Conduct

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

8.6 Compliance of Corporate Governance Guidelines

The Company complies with the Guidelines on Corporate Governance issued by DPE on a quarterly basis. Recently, DPE has formulated an online dedicated portal for reporting and monitoring of Compliance Report on Guidelines on Corporate Governance. The quarterly compliance report is being submitted on the said portal disclosing the total details of compliance made by the Company. Further, Annual Compliance Report is also submitted on the said portal. Your Company invariably scores Excellent rating in compliance with the Guidelines on Corporate Governance issued by DPE.

Further, a certificate on Compliance of the conditions of Corporate Governance duly certified by M/s K. Pandeya & Co., Statutory Auditor for the F.Y. 2022-23, in terms of the Corporate Governance Guidelines issued by DPE forms part of this report.



8.7 Means of communication

The Annual Report for the FY 2022-23 is circulated to the members for communicating the performance of the Company during the reported period. Moreover, ¹⁰Annual Reports of the Company from FY. 2011-12 is available on the website of the Company in English and bi-lingual version.

8.8 Training of Board Members

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

8.9 Vigil Mechanism/ Whistle Blower Policy

Your Company has implemented the Vigil Mechanism/ ¹¹Whistle Blower Policy in accordance with the requirement of Section 177(9) of the Companies Act, 2013 and the same is uploaded on the website of the Company. The policy provides vigil mechanism guideline to ensure greater transparency in all aspects of the Company's functioning. It is also affirmed that no employee has been denied access to the Audit Committee.

¹⁰Available at http://www.meconlimited.co.in/Annual_Report.aspx

¹¹Available at http://www.meconlimited.co.in/Writereaddata/Downloads/Whistle_Blower_Policy.pdf



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
MECON Limited

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

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

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

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For K Pandeya & Co
Chartered Accountants
Firm's Reg. No. : 000135C

Sd/-

CA Manjeet Kumar Verma
Membership No. : 075926

Place: Ranchi
Date: 08/08/2023
UDIN: 23075926BGPYTL9351



INDEPENDENT AUDITORS' REPORT

To,

The Members of MECON Limited

Report on the Audit of the Standalone Financial Statements.

Opinion

We have audited the accompanying Standalone Financial Statements of MECON LIMITED (“the Company”) which comprises the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for year ended, and Notes to the Financial Statements, including a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as “the standalone financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with Indian Accounting Standard prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rule, 2015 as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the State of Affairs of the Company as at 31st March, 2023, the Profit, Total Comprehensive Income, Changes in Equity and its Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Interim 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. 42.21 with respect to appeal filed by the company with the Hon’ble Principal District Court, Cuddalore in the matter related to recovery of advance against the bank guarantee.
- b) The balance confirmation of Trade receivables as on 31st March, 2023 is still awaited.
- c) Trade receivable worth Rs. 23,186.63 Lakhs is due for more than 3 years. No legal action has been taken yet. The company has not gone in arbitration also. As per The Limitation Act, 1963 the company cannot legally claim from such debtors. Company has already made provisions and liabilities for the



full amount in the books of accounts against trade receivables. In our opinion, it should be written off since it will not impact the profitability of the Company.

d) Following amount receivable is due for more than 3 years.

• Service Tax Receivable From Clients	= Rs. 1,354.49 Lakhs
• Output VAT Receivable From Clients	= Rs. 60.63 Lakhs
• CGST Receivable From Clients	= Rs. 55.08 Lakhs
• SGST Receivable From Clients	= Rs. 55.08 Lakhs
• IGST Receivable From Clients	= Rs. 615.94 Lakhs
• Krishi Kalyan cess receivable	= Rs. 27.01 Lakhs
• VAT Receivable from Client	= Rs. 424.89 Lakhs
• Swachh Bharat Cess Receivable From Clients	= Rs. 53.23 Lakhs

As per The Limitation Act, 1963 the company cannot claim these amounts legally as they are time barred for legal action. Company has already made provisions for the full amount in the books of accounts against above. In our view, these amounts should be written off by the company since it will not impact the profitability of the Company.

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 Matters
1.	<p>Recognition and Measurement of Revenue</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">• Evaluated the design and implementation of the processes and internal controls relating to implementation of the new revenue recognition standard.• 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.• 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.



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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis Report, Board's Report including annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholders Information, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the Standalone Financial Statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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



As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional 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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(5) of the Act, the Comptroller and Auditor General of India Issued Directions and sub-directions. We give our comment thereon vide Annexure "B".
3. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under.
 - e. In terms of Govt. of India, Department of Companies Affairs Notification No. GSR 463(E) dated 5th 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 5th 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 40.1 to the standalone financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses if any, on long-term contracts and the Company did not have any derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



- iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause iv(a) and iv(b), contain any material mis-statement.
- v. As per Ministry of Corporate Affairs Notification New Delhi, dated 5th August, 2022 (File No. 1/19/2013-CL-V-Part III), back-up of the books of account/other books & papers maintained in electronic mode, including at a place outside India, shall be kept in servers physically located in India on a daily basis. This notification was effective from 5th August, 2022 but Company didn't follow this notification. Our opinion is not modified in respect of this matter.
- vi. AGM was not held within due date. It was held on 18th October 2022. Our opinion is not modified in respect of this matter.
- vii. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For K. Pandeya & Co.

Chartered Accountants

Firm Registration No: 000135C

Sd/-

CA Manjeet Kumar Verma

(Partner)

M.No. - 075926

UDIN: 23075926BGPYSO1560

Place: Ranchi

Date: 27.06.2023



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

- (i) In respect of its Property, Plant and Equipment and Intangible Assets:
- The Company has maintained proper records showing full particulars including quantitative details and situation of its Property, Plant and Equipment (including Right-of-Use Asset) except in respect of some cases wherein the Property, Plant and Equipment register and records are in the process of updation.
 - The Company has maintained proper records showing full particulars of Intangible Assets.
 - The Property, Plant and Equipment of the Company have been physically verified by the management. In our opinion, the period of verification is reasonable having regard to the size of the company and the nature of its business.
 - Location and identification number of assets have not been shown in register maintained by the company.
 - As per IND AS 16 Property, Plant and Equipment should be maintained in register component wise. But it has not been done by the company.
 - Asset verification report has not been provided by the company.
 - The title deeds of all the Immovable Properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company, except the following:

Description of property	Gross carrying value (Rs. In Lakhs)	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
10.25 acres of land for Administrative Building at HO, Ranchi	2.69	Government of Jharkhand	No	25.10.1962	Deed of conveyance is pending for execution by the Government of Jharkhand.
Office Space/Building at Scope Minar, Laxmi Nagar, New Delhi (13 th & 15 th Floor)	1,193.30	SCOPE	No	23.12.2004	The office building at Scope Minar, Delhi has been acquired on contribution basis without ownership.

- The company has not revalued its Property, Plant and Equipment (including Right-of -Use assets) or intangible assets or both during the year.



- f) There are no proceedings initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made there under.
- (ii) In respect of physical verification of Inventory:
- a) The inventories have been physically verified by the management during the year. In our opinion and according to the information and explanations given to us, the procedure for physical verification of inventories followed by the management are generally reasonable and adequate in relation to the size of the company and the nature of its business. No material discrepancies have been noticed on verification between the physical stocks and the book records.
- b) According to the information given to us, the company has been sanctioned bank overdraft facilities in excess of five crore rupees, in aggregate, from banks on the basis of security of fixed deposits with the respective banks which are in agreement with the books of accounts of the Company.
- (iii) In our opinion and according to the information and explanations given to us, the company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties under Section 189 of the Companies Act, 2013 and hence clause (a) to (b) is not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not given any loans and guarantees and not made any investments in respect of Section 185 & 186 of the Companies Act 2013.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any public deposits during the year hence clause (v) is not applicable to the Company. Accordingly, the directives issued by the RBI and provisions of Sections 73 to 76 or any other relevant provisions of the Act and rules framed there under are not applicable.
- (vi) According to the information given to us, the Central Government has not prescribed maintenance of cost records under section 148(1) of the Act.
- (vii) According to the information and explanations given to us in respect of statutory and other dues:
- 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. 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, 2023.
- b) According to the information and explanations given to us, there are disputed statutory dues, which have not been deposited as at 31st March, 2023, as given herein below:



Name of the Statute	Period to which relates	Forum	Amount (Rs. in Lakhs)
Central Sales Tax Act & Sales Tax Acts of various states	1999-2000	STAT, Andhra Pradesh.	4.41
	2000-2001	STAT, Andhra Pradesh	101.40
	2001-2002	Andhra Pradesh. High Court	450.88
	1995-1996	Commissioner of Commercial Taxes, Ranchi	258.12
	1999-2000	Commissioner of Commercial Taxes, Ranchi	24.51
	2001-2002	Commissioner of Commercial Taxes, Ranchi	49.47
	2002-2003	Commissioner of Commercial Taxes, Ranchi	106.62
	2009-2010	Jharkhand Commercial Tax Tribunal	27.66
	2010-2011	Jharkhand Commercial Tax Tribunal	77.34
	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
	2006-2007	Jharkhand Commercial Tax Tribunal	9.76
	2007-2008	Jharkhand Commercial Tax Tribunal	26.16
	2010-2011	Commissioner of Commercial Taxes, Ranchi	217.29
	2011-2012	Commissioner of Commercial Taxes, Ranchi	535.81
	2011-2012	Commissioner of Commercial Taxes, Ranchi	0.02
	1997-1998	Commissioner of CT & GST, Cuttack	46.51
	2013-2014	Jt. Commissioner (Appeal), Durg	0.31
2014-2015	Sales Tax Appellate Tribunal, Raipur	12.29	
2012-2015	Commissioner of CT & GST, Cuttack	21.06	
2012-2015	Commissioner of CT & GST, Cuttack	90.99	
Central Excise Act, 1944	2018-2019	CESTAT, Kolkata	200.00
Service Tax	2018-2019	Commissioner Appeal, CGST	30.65
		Central Excise Ranchi	
Employees Provident Fund and Misc. Provisions Act 1952	2003-2004	EPF, Appellate Tribunal, New Delhi	229.70
ESI Act, 1948	2014-15, 2015-16, 2016-17	Employees State Insurance Corporation, Karnataka	82.67
Income Tax Act	2000-2001	Income Tax Appellate Tribunal, Ranchi	178.17
Income Tax Act	2002-2003	CIT (A), Ranchi	105.54
Income Tax Act	2010-2011	Income Tax Appellate Tribunal, Ranchi	79.42
Income Tax Act	2011-2012	Income Tax Appellate Tribunal, Ranchi	96.32
Income Tax Act	2019-2020	CIT (A), Ranchi	52.74
Income Tax Act	Several Years	Income Tax TDS related demand	13.14

Out of the above, income tax dispute of ₹512.19 lakhs consisting of ₹175.74 lakhs have already been adjusted against refund.

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

It is also informed that the company has deposited ₹471.53 Lakhs towards the statutory disputed cases, out of which ₹225.92 Lakhs pertain to the statutory disputed cases listed above. The Balance ₹245.61 Lakhs relates to disputed cases which have been set aside by the authorities.



- (viii) There are no instances of any transactions not recorded in the Books of Account that have been surrendered or disclosed as income during the year in tax assessments under Income Tax Act, 1961.
- (ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders during the year.
- (b) The company has not been declared wilful defaulter by any bank or financial institutions or other lender.
- Clause No. (ix) (c) to (ix)(f) are not applicable to the company.
- (x) (a) According to the information and explanations given by the management and the audit procedures performed, the company has not raised moneys raised by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) According to the information and explanations given by the management and the audit procedures performed, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- (xi) (a) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud by the company or any fraud on the company by its officers and employees has been noticed or reported during the year.
- (b) No report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the information and explanations given to us by the management, no whistleblower complaints had been received by the company.
- (xii) In our opinion and according to the information and explanations given to us, the company is not a Nidhi Company. Therefore, the provisions of Clause (xii) (b) and (c) of the Order are not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 & 188 of the Act and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) (a) According to the information and explanations given by the management and the audit procedures performed, the company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditors for the period under audit were considered by the statutory auditor.
- (xv) According to the information and explanations given to us and based upon the audit procedure performed, the company has not entered into any non-cash transactions with the directors or persons connected with him.



- (xvi) In our opinion, the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of Clause (xvi) (b) to (d) of the Order are not applicable to the Company.
- (xvii) The company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) According to the information and explanations given to us, there has not been any resignation of the statutory auditors during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) (a) According to the information and explanations given to us, the company has transferred unspent amount in respect of other than ongoing projects to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the previous financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.
- (b) In respect of ongoing projects, the Company has transferred unspent CSR amount as at the end of the previous financial year, to a Special account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135(6) of the Companies Act, 2013.

According to the information and explanations given to us, there are no unspent amounts towards Corporate Social Responsibility ("CSR") on ongoing projects requiring a transfer to a Special account within a period of thirty days of the expiry of the financial year in compliance with the provision of sub-section (6) of section 135 of the said Act.

- (xxi) According to the information and explanations given to us, this clause is not applicable.

For K. Pandeya & Co.

Chartered Accountants

Firm Registration No: 000135C

Sd/-

CA Manjeet Kumar Verma

(Partner)

M.No. - 075926

UDIN: 23075926BGPYSO1560

Place: Ranchi

Date: 27.06.2023



“Annexure B” to the Independent Auditors’ Report of even date on Standalone Financial Statements of MECON LIMITED for the year 2022-23.

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

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



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

Report on Internal Financial Controls over financial reporting under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of MECON LIMITED (“the company”) as of 31st March, 2023 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, 2023, 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 K. Pandeya & Co.

Chartered Accountants

Firm Registration No: 000135C

Sd/-

CA Manjeet Kumar Verma

(Partner)

M.No. - 075926

UDIN: 23075926BGPYSO1560

Place: Ranchi

Date: 27.06.2023



MANAGEMENT'S REPLY TO 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 31ST MARCH, 2023

The preparation of financial statements of MECON Limited for the year ended 31st March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 27th June, 2023.

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 31st March, 2023 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

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

COMMENTS	MANAGEMENT'S REPLY
COMMENT ON FINANCIAL POSITION	
BALANCE SHEET	
<p>Other Current Assets (Note 20): ₹9161.23 lakh Advance to suppliers: ₹1014.06 lakh</p> <p>Above includes an amount of ₹756.86 lakh in respect of advance given to M/s Mysore Construction Company (MCC) during the period of project execution from FY 2007-08 to 2008-09 against Bank Guarantee (BG) with A condition to deduct the advance proportionately from subsequent bills of MCC. Civil work assigned to MCC was completed on 31.01.2013 but the advances were not deducted by MECON from MCC's bills because of mutual understanding between them. MECON attempted to encash the BG in December 2016, however Hon'ble Principal District Court, Cuddalore passed an interim injunction order against encashment of BG and instructed the bank not to release bank guarantee and keep the same in existence till disposal of the</p>	<p>MECON had placed work order no. 7721 dated 23.03.2006 on M/s. Mysore Construction Co. (MCC) (now known as MYCON Construction Limited) for execution of civil works for Lignite Handling System, TPS II Expansion project, NLC, Neyveli. To realize part of the outstanding dues from MCC, MECON invoked 14 bank guarantees worth Rs.9.22 Cr. submitted by M/s. Mysore Constn. Co.</p> <p>MCC filed petition (Arb. O.P. 177/2016) at Cuddalore District Court under Section 9 of the Arbitration & Conciliation Act 1996 seeking injunction against encashment of the bank guarantees sought by MECON. The Hon'ble District Court passed an interim injunction order on 23.12.2016 injuncting MECON from encashing the bank guarantees.</p> <p>M/s MCC committed to the court that they would not release their bank guarantee and would keep the same in existence till the disposal of the petition.</p> <p>Thereafter, M/s MCC filed petition (Arb. OP 211/2017) in Madras High Court praying for appointment of arbitrator for conducting arbitration proceedings against MECON under Section 11(6) of Arbitration & Conciliation Act 1996.</p>



COMMENTS	MANAGEMENT'S REPLY
<p>petition sought by MCC. MCC thereafter filed OS no. 133 of 2017 in the High Court for restraining MECON for encashing the BG worth ₹9.22 crore. The High Court in its judgement dated 27.04.2023 again transferred the matter to the Principal District-cum-Commercial Court for further action and the matter is still pending at Principal District-cum-Commercial Court, Cuddalore</p> <p>In view of the above, the advance cannot be claimed to be secured and provision for the same should have been made in the books of account under 'Provision for bad and doubtful debts' as provided in the Finance Manual 2017 (Para 10.2.6.2) of the company. Thus, non-provision of above has resulted into overstatement of Other Current Assets and Profit by ₹756.86 lakh.</p> <p>This issue was also commented by C&AG on the financial statements of MECON for the year 2021-22</p>	<p>The Hon'ble High Court, through order dated 26.10.2017, upheld the argument of MECON that there was no arbitration agreement between M/s MCC and M/s MECON in the contract. Dissatisfied with order dated 26.02.2017 of the Hon'ble Madras High Court, M/s MCC approached the Supreme Court. The Apex Court also, vide its order dated 02.11.2017, upheld the verdict of the Hon'ble Madras High Court.</p> <p>Thereafter, M/s MCC filed a suit, OS No. 133/2017 in November, 2017 in the court of Principal District Judge, Cuddalore, and also filed an IA No. 423/2017 therein seeking a permanent injunction against invocation of the Bank Guarantees in question.</p> <p>MECON has filed its reply to the IA, contesting the prayer of M/s MCC, and prayed for the court to pass order for allowing encashment of all the concerned 14 (fourteen) bank guarantees. MECON also filed its counter affidavit along with counter claims in the suit. The matter is constantly on the list of the court.</p> <p>As permanent injunction against invocation of bank guarantees has not been granted by the court, the amount of advance is still covered by collateral security in the form of bank guarantees. The court has not passed any adverse order against MECON and having lodged our claim well within validity period of the bank guarantees, the claim for remittance of money against the bank guarantees is protected as on date.</p> <p>The matter was again taken up with banks in the month of November 2022 to encash amount of 14 bank guarantees, but the banks expressed their inability to pay bank guarantee amounts citing pending litigation in District court. However, banks never refuted validity of the bank guarantees. It is very clear from response of the banks that the advance of Rs. 756.86 lakh is well covered under said 14 bank guarantees.</p> <p>Therefore, advance of Rs. 756.86 lakh is still covered by the valid bank Guarantees and the advance has been treated as secured. As the matter is sub-judice and advance is covered by Bank Guarantees, realization of which is highly probable.</p> <p>Further, para 10.2.6.2 of Finance Manual 2017 deals with outstanding amount against invoices raised by MECON on clients and not with claims receivable from vendors. Hence, there is no overstatement of other current assets and profit.</p>
<p>For and on the behalf of Comptroller & Auditor General of India</p> <p style="text-align: center;">Sd/- (U.S. Prasad) Director General of Audit (Steel)</p> <p>Place: Ranchi Date: 21.08.2023</p>	<p>For and on behalf of Board of Directors</p> <p style="text-align: center;">Sd/- (Ajit Kumar Saxena) Chairman and Managing Director (Additional Charge)</p> <p>Place: Nagpur Date: 22.09.2023</p>



BALANCE SHEET AS AT 31st MARCH, 2023

(₹ in lakhs)

PARTICULARS		NOTE NO.	AS AT 31.03.2023		AS AT 31.03.2022		AS AT 01.04.2021	
I. ASSETS								
(1) Non-Current Assets								
(a)	Property, Plant and Equipment	3		6,879.70		6,823.53		6,613.17
(b)	Capital Work-in-Progress	4		1,600.78		723.30		66.77
(c)	Investment Property			-		-		-
(d)	Other Intangible Assets	5		147.16		91.63		51.42
(e)	Intangible Assets under Development			-		-		-
(f)	Financial Assets							
(i)	Investments	6	11.92		11.92		11.92	
(ii)	Trade Receivables	7	-		-		-	
(iii)	Loans	8	71.20		71.20		7.08	
(iv)	Other Financial Assets	9	4,206.13	4,289.25	2,512.01	2,595.13	464.44	483.44
(g)	Deferred Tax Assets (Net)	10		10,195.13		8,805.83		8,361.65
(h)	Other Non-Current Assets	11		876.56		877.13		1,090.19
(2) Current Assets								
(a)	Inventories	12		224.40		213.53		204.67
(b)	Financial Assets							
(i)	Investments	13	-		-		-	
(ii)	Trade Receivables	14	37,120.46		38,357.27		42,872.06	
(iii)	Cash and Cash Equivalents	15	15,463.11		18,265.29		10,460.48	
(iv)	Other Bank Balances	16	48,786.80		51,274.08		52,703.10	
(v)	Loans	17	810.34		586.56		592.24	
(vi)	Other Financial Assets	18	5,359.82	1,07,540.53	5,104.46	1,13,587.66	5,543.14	1,12,171.02
(c)	Current Tax Assets (Net)	19		3,757.15		3,948.50		996.19
(d)	Other Current Assets	20		9,161.23		4,901.06		3,686.92
TOTAL ASSETS				1,44,671.89		1,42,567.30		1,33,725.44
II. EQUITY AND LIABILITIES								
(A) EQUITY								
(a)	Equity Share Capital	21	4,013.84		4,013.84		4,013.84	
(b)	Other Equity	22	35,430.21	39,444.05	34,278.71	38,292.55	33,094.92	37,108.76
(B) LIABILITIES								
(1) Non-Current Liabilities								
(a)	Financial Liabilities							
(i)	Borrowings		-		-		-	
(ia)	Lease Liabilities		-		-		-	
(ii)	Trade Payables	23						
	(A) Total outstanding dues of micro enterprises and small enterprises		2,576.47		1,604.32		1,514.85	
	(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,897.76		3,120.21		2,959.27	
(iii)	Other Financial Liabilities	24	2,819.18	8,293.41	2,730.68	7,455.21	1,935.05	6,409.17
(b)	Provisions	25		26,462.35		23,470.10		24,284.89
(c)	Deferred Tax Liabilities (Net)	10		-		-		-
(d)	Other Non-Current Liabilities	26		375.51		362.81		372.83
(2) Current Liabilities								
(a)	Financial Liabilities							
(i)	Borrowings	27	-		-		-	
(ia)	Lease Liabilities		-		-		-	
(ii)	Trade Payables	28						
	(A) Total outstanding dues of micro enterprises and small enterprises		6,760.02		2,292.03		3,734.63	
	(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		13,822.78		12,260.52		11,378.91	
(iii)	Other Financial Liabilities	29	22,624.90	43,207.70	26,639.59	41,192.14	26,540.05	41,653.59
(b)	Other Current Liabilities	30		18,771.32		22,519.59		16,389.12
(c)	Provisions	31		8,117.55		9,274.90		7,507.08
(d)	Current Tax Liabilities (Net)	19		-		-		-
TOTAL EQUITY AND LIABILITIES				144,671.89		1,42,567.30		1,33,725.44

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

In terms of our report of even date

For K. PANDEYA & CO.
CHARTERED ACCOUNTANTS

Sd/-

(MANJEET KUMAR VERMA)
PARTNER
Memb.No.075926
Firm Regn. No.000135C
Place : Ranchi
Dated : 27.06.2023
UDIN : 23075926BGPYSO1560

For and on behalf of the Board of Directors

Sd/-

(MUKESH KUMAR)
DIRECTOR (FINANCE)
DIN: 08778135Sd/-
(SUDESH KUMAR RATHI)
COMPANY SECRETARY
M. No.: A69923

Sd/-

(SANJAY KUMAR VERMA)
DIRECTOR (COMMERCIAL) &
DIRECTOR (TECHNICAL) - Additional Charge
DIN: 08600373Sd/-
(S. SAMANTA)
CHIEF GENERAL MANAGER (FINANCE)



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2023

(₹ in lakhs)

PARTICULARS	NOTE NO.	Current Year	Previous Year
I. Revenue from Operations	32	88,945.92	60,476.29
II. Other Income	33	5,648.37	3,644.77
III. TOTAL INCOME (I+II)		94,594.29	64,121.06
IV. EXPENSES:			
(a) Purchases of Equipments & Direct Expenses	34	45,000.41	19,076.02
(b) (Accretion)/Decretion to Jobs-in-Progress	35	687.14	549.13
(c) Employee Benefits Expenses	36	33,654.01	32,415.60
(d) Finance Costs	37	221.44	151.37
(e) Depreciation and Amortisation Expenses	38	745.98	690.48
(f) Other Expenses	39	12,985.27	9,284.80
TOTAL EXPENSES (IV)		93,294.25	62,167.40
V. Profit/(Loss) before exceptional items and tax (III-IV)		1,300.04	1,953.66
VI. Exceptional Items (Refer Note No.42.29)		2,100.76	-
VII. Profit/(Loss) before tax (V-VI)		3,400.80	1,953.66
VIII. Tax Expense:			
(a) Current Tax		1,689.17	1,027.99
(b) Deferred Tax		(1,389.30)	(444.18)
IX. Profit/(Loss) for the year (VII-VIII)		3,100.93	1,369.85
X. Other Comprehensive Income			
(a) Items that will not be reclassified to Profit and Loss Re-measurement of Defined Benefit Plans		(2,088.41)	(225.45)
(b) Income tax relating to items that will not be reclassified to Profit and Loss Re-measurement of Defined Benefit Plans		364.89	39.39
XI. Total Comprehensive Income for the year (IX+X)		1,377.41	1,183.79
XII. Earnings per equity share (Face Value ₹ 10/- each) Basic & Diluted (₹)	42.12	7.73	3.41

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

In terms of our report of even date

For K. PANDEYA & CO.
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Sd/-
(MANJEET KUMAR VERMA)
PARTNER
Memb.No.075926
Firm Regn. No.000135C
Place : Ranchi
Dated : 27.06.2023
UDIN : 23075926BGPYSO1560

Sd/-
(MUKESH KUMAR)
DIRECTOR (FINANCE)
DIN: 08778135

Sd/-
(SUDESH KUMAR RATHI)
COMPANY SECRETARY
M. No.: A69923

Sd/-
(SANJAY KUMAR VERMA)
DIRECTOR (COMMERCIAL) &
DIRECTOR (TECHNICAL) - Additional Charge
DIN: 08600373

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



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2023

A. EQUITY SHARE CAPITAL

(1) Current reporting period

(₹ in lakhs)

Particulars	Balance as at 1 st April, 2022	Changes in Equity Share Capital due to prior period errors	Restated Balance as at 1 st April, 2022	Changes in Equity Share Capital during the current year	Balance as at 31 st March, 2023
Equity Share Capital	4,013.84	-	4,013.84	-	4,013.84

(2) Previous reporting period

(₹ in lakhs)

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

B. OTHER EQUITY

(1) Current reporting period

(₹ in lakhs)

Particulars	Reserves and Surplus				Other Comprehensive Income	TOTAL
	Capital Redemption Reserve #	CSR Activity Reserve #	General Reserve	Retained Earnings	Remeasurement of Defined Benefit Plans	
Balance as at 1st April, 2022	6,300.00	12.28	9,852.39	22,996.89	(4,882.85)	34,278.71
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated Balance as at 1st April, 2022	6,300.00	12.28	9,852.39	22,996.89	(4,882.85)	34,278.71
Net Profit / (Loss) during the period	-	-	-	3,100.93	-	3,100.93
Total Comprehensive Income for the current period	-	-	-	-	(1,723.52)	(1,723.52)
Dividend on Equity Shares	-	-	-	(410.95)	-	(410.95)
Transferred from Other Current Non-Financial Liabilities	-	181.07	-	-	-	181.07
Surplus not forming part of business profit	-	7.40	-	-	-	7.40
Transferred from Retained Earnings during the period	-	83.75	-	-	-	83.75
Transferred to Retained Earnings during the period	-	(61.45)	-	-	-	(61.45)
Transferred from CSR Activity Reserve during the period	-	-	-	61.45	-	61.45
Transferred to CSR Activity Reserve during the period	-	-	-	(87.18)	-	(87.18)
Transferred to General Reserve	-	-	-	-	-	-
Balance as at 31st March, 2023	6,300.00	223.05	9,852.39	25,661.14	(6,606.37)	35,430.21

(2) Previous reporting period

(₹ in lakhs)

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

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 K. PANDEYA & CO.
CHARTERED ACCOUNTANTSSd/-
(MANJEET KUMAR VERMA)
PARTNER
Memb.No.075926
Firm Regn. No.000135C
Place : Ranchi
Dated : 27.06.2023
UDIN : 23075926BGPYS01560

For and on behalf of the Board of Directors

Sd/-
(MUKESH KUMAR)
DIRECTOR (FINANCE)
DIN: 08778135Sd/-
(SUDESH KUMAR RATHI)
COMPANY SECRETARY
M. No.: A69923Sd/-
(SANJAY KUMAR VERMA)
DIRECTOR (COMMERCIAL) &
DIRECTOR (TECHNICAL) - Additional Charge
DIN: 08600373Sd/-
(S. SAMANTA)
CHIEF GENERAL MANAGER (FINANCE)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023 (Indirect Method)

(₹ in lakhs)

	2022-23		2021-22	
Cash Flows from Operating Activities				
Net Profit/(Loss) before Taxation		3,400.80		1,953.66
Add : Adjustments for				
Depreciation & Amortisation	745.98		690.48	
Loss on Sale/Disposal of Fixed Assets	1.65		0.66	
Provision for Bad & Doubtful Trade Receivables/ ECL	3,198.86		1,564.45	
Other Provisions	2,690.06		1,299.29	
Finance Costs	221.44		151.37	
		6,857.99		3,706.25
Less : Adjustments for				
Write back of prov. for impairment in the value of Investment	500.00		-	
Profit on Sale of Investment in Non-Current Investment	2,100.76		-	
Profit on Sale/Disposal of Fixed Assets	0.72		0.74	
Interest Income	2,730.27		2,227.42	
Dividend Received	2.13		1.60	
Gain/(Loss) on Redemp. or Fair Valuation of Invest. in MFs	3.80		0.72	
		5,337.68		2,230.48
Operating Profit/(Loss) before Working Capital Changes		4,921.11		3,429.43
Add : Adjustments for				
(Increase) / Decrease in Inventories	(10.87)		(8.86)	
(Increase) / Decrease in Trade Receivables	(2,330.19)		2,484.75	
(Increase) / Decrease in Loans	(336.47)		(219.81)	
(Increase) / Decrease in Other Financial Assets	(781.68)		(190.32)	
(Increase) / Decrease in Tax Assets	(1,129.73)		(3,940.91)	
(Increase)/Decrease in Other Non-Financial Assets	(4,802.19)		(1,001.08)	
Increase / (Decrease) in Trade Payables	6,779.95		(310.58)	
Increase / (Decrease) in Financial Liabilities	(3,926.19)		895.17	
Increase / (Decrease) in Provisions	(253.51)		727.58	
Increase / (Decrease) in Non-Financial Liabilities	(5,066.59)		5,820.80	
		(11,857.47)		4,256.74
Cash Generated from Operations		(6,936.36)		7,686.17
Less : Taxes Paid		-		-
Net Cash from Operating Activities {A}		(6,936.36)		7,686.17
Cash Flows from Investing Activities				
Purchase of Property, Plant & Eqpt. and Intangible Assets	(1,765.56)		(1,599.34)	
Property, Plant & Eqpt. and Intangible Asset sold/discarded	29.47		1.84	
Proceeds from Non-Current Investments	2,518.92		-	
(Increase) / Decrease in Deposits with Bank	1,809.18		(637.40)	
Interest Received	2,168.63		2,502.59	
Dividend Received	2.13		1.60	
Gain / (Loss) on Redemption of Investment in MFs	3.80		0.72	
		4,766.57		270.01
Net Cash from Investing Activities {B}				
Cash Flows from Financing Activities				
Dividend including Dividend Tax Paid	(410.95)		-	
Finance Costs	(221.44)		(151.37)	
Net Cash from Financing Activities {C}		(632.39)		(151.37)
Net Increase/(Decrease) in Cash & Cash Equivalent {A}+{B}+{C}		(2,802.18)		7,804.81
Cash and Cash Equivalent at the beginning		18,265.29		10,460.48
Cash and Cash Equivalent at the end		15,463.11		18,265.29
Note No.1 to 42 form an integral part of Financial Statements				
Cash & Cash Equivalent represents				
i) Cash at Bank (Current A/c & Flexi Deposit A/c) #	15,459.99		18,260.76	
ii) Cheques & Drafts on hand	-		-	
iii) Cash & Stamps on hand	3.12	15,463.11	4.53	18,265.29
# include amount held in the Separate Bank Accounts maintained on behalf of Clients	13,565.31		17,890.53	

In terms of our report of even date

For K. PANDEYA & CO.
CHARTERED ACCOUNTANTS

Sd/-
(MANJEET KUMAR VERMA)
PARTNER
Memb.No.075926
Firm Regn. No.000135C

Place : Ranchi
Dated : 27.06.2023
UDIN : 23075926BGPYSO1560

For and on behalf of the Board of Directors

Sd/-
(MUKESH KUMAR)
DIRECTOR (FINANCE)
DIN: 08778135

Sd/-
(SUDESH KUMAR RATHI)
COMPANY SECRETARY
M. No.: A69923

Sd/-
(SANJAY KUMAR VERMA)
DIRECTOR (COMMERCIAL) &
DIRECTOR (TECHNICAL) - Additional Charge
DIN: 08600373

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



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 31st 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 31st March, 2023 were approved for issue by the Board of Directors of the Company in their meeting held on 26th June, 2023.

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 derecognised.

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 to be impaired. If any such indication exists, the investment is considered for impairment based on the fair value thereof.

Other Financial Assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

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

17.2 Financial Liabilities

17.2.1 Initial Recognition

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

17.2.2 Subsequent measurement

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

17.2.3 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

17.3 Offsetting of Financial Instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.



NOTE 3.1 - PROPERTY, PLANT AND EQUIPMENT (GENERAL)

As on 31st March, 2023

(₹ in lakhs)

Sl. No.	Particulars	COST				DEPRECIATION				NET CARRYING AMOUNT	
		As on 01.04.22	Addition / Adjust-ment	Sale/ Adjust-ment	As on 31.03.23	As on 01.04.22	On Sale/ Adjust-ment	During the period	Upto 31.03.23	As on 31.03.23	As on 31.03.22
1.	Land	63.93	-	-	63.93	-	-	-	-	63.93	63.93
2.	Building - Freehold	2,495.58	138.88	27.66	2,606.80	1,265.59	20.27	53.58	1,298.90	1,307.90	1,229.99
	- Leasehold	185.11	-	-	185.11	77.48	-	3.31	80.79	104.32	107.63
3.	Road, Bridges & Culverts	36.60	-	-	36.60	1.35	(0.01)	6.84	8.20	28.40	35.25
4.	Water Supply and Sewerage	39.17	-	-	39.17	21.67	0.01	2.31	23.97	15.20	17.50
5.	Furniture & Fixtures	1,202.54	46.31	4.43	1,244.42	1,005.73	4.30	42.58	1,044.01	200.41	196.81
6.	Motor Vehicles	102.79	-	-	102.79	41.77	-	11.33	53.10	49.69	61.02
7.	Office Equipments	1,033.21	20.13	36.04	1,017.30	948.38	32.76	16.98	932.60	84.70	84.83
8.	Computer Hardware	3,145.80	180.67	19.22	3,307.25	2,504.62	18.24	228.24	2,714.62	592.63	641.18
9.	Laboratory Equipments	616.98	21.89	-	638.87	513.14	-	23.16	536.30	102.57	103.84
10.	Electrical Installation	1,462.75	129.27	24.02	1,568.00	1,101.18	5.39	90.31	1,186.10	381.90	361.57
11.	Misc. Articles including Library	219.35	0.06	-	219.41	209.31	-	1.75	211.06	8.35	10.04
	TOTAL	10,603.81	537.21	111.37	11,029.65	7,690.22	80.96	480.39	8,089.65	2,940.00	2,913.59

As on 31st March, 2022

(₹ in lakhs)

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



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

As on 31st March, 2023

(₹ in lakhs)

Sl. No.	Particulars	COST				DEPRECIATION				NET CARRYING AMOUNT	
		As on 01.04.22	Addition/Adjustment	Sale/Adjustment	As on 31.03.23	As on 01.04.22	On Sale/Adjustment	During the period	Upto 31.03.23	As on 31.03.23	As on 31.03.22
1.	Land	227.69	-	-	227.69	-	-	-	-	227.69	227.69
2.	Building	4,057.26	12.40	-	4,069.66	1,231.75	-	63.65	1,295.40	2,774.26	2,825.51
3.	Road, Bridges & Culverts	329.55	3.08	-	332.63	302.48	-	2.83	305.31	27.32	27.07
4.	Water Supply & Sewerage	307.26	4.94	-	312.20	217.40	-	10.51	227.91	84.29	89.86
5.	Fences	82.21	-	-	82.21	78.09	-	-	78.09	4.12	4.12
6.	Plant & Equipments	639.13	38.05	-	677.18	381.74	-	30.36	412.10	265.08	257.39
7.	Furniture & Fixtures	124.36	37.37	-	161.73	105.43	-	5.42	110.85	50.88	18.93
8.	Motor Vehicles	17.12	-	-	17.12	2.11	-	1.95	4.06	13.06	15.01
9.	Office Equipments	38.97	114.79	-	153.76	31.91	-	8.74	40.65	113.11	7.06
10.	Computer Hardware	20.20	-	-	20.20	18.38	-	0.57	18.95	1.25	1.82
11.	Electrical Installation	1,163.28	17.90	-	1,181.18	728.08	-	74.74	802.82	378.36	435.20
12.	Misc. Articles including Library	6.22	-	-	6.22	5.94	-	-	5.94	0.28	0.28
TOTAL		7,013.25	228.53	-	7,241.78	3,103.31	-	198.77	3,302.08	3,939.70	3,909.94

As on 31st March, 2022

(₹ in lakhs)

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



NOTE 3.3 - PROPERTY, PLANT & EQUIPMENT, ETC.

A) LAND

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

B) BUILDINGS

- (i) Office Space / Building at SCOPE Minar, Laxmi Nagar, New Delhi, Gross Block ₹1,193.30 lakhs (Previous Year ₹1,193.30 lakhs) have been acquired from SCOPE on self financing / contribution basis without ownership title deed, the cost of acquisition of Office Space / Building has been considered as Building and depreciation thereon has been provided at the rate as applicable for Building.
- (ii) Residential buildings at Rourkela, Gross block ₹5.12 lakhs (Previous year ₹5.12 lakhs) and at Durgapur, Gross block ₹8.62 lakhs (Previous year ₹8.62 lakhs) have been constructed on the land belonging to SAIL for which the depreciation is being charged at the rate applicable for Residential Building.



- (iii) Pending determination of the proportionate value of the land in respect of Buildings acquired at New Delhi, Gaziabad, Navi Mumbai, Bangalore (Austin Town & Rajiv Nagar), Kolkata and Jagdalpur, the cost of acquisition of flats has been considered as Building and depreciation thereon has been provided at the rate as applicable for Residential Building.
- C) Assets purchased during the year costing above ₹1,000/- each and upto ₹5,000 each are fully depreciated in the year of acquisition (Refer Note 2 Sl.No. 2.4.2) w.e.f. 1993-94.
- D) 10 nos. (Previous Year 10 nos.) residential quarters are under unauthorised occupation.



NOTE 4 - CAPITAL WORK-IN-PROGRESS

(₹ in lakhs)

Particulars	Opening Balance as on 01.04.22	Additions/ Adjustments	Total	Capitalised/ Adjustments	Balance		
					As on 31.03.23	As on 31.03.22	As on 01.04.21
1. Cables for Installation of Energy Meter, etc. at Township, Ranchi, Jharkhand	41.19	-	41.19	-	41.19	41.19	41.19
2. Installation of Paver Blocks at Head Office, Ranchi, Jharkhand	-	3.08	3.08	3.08	-	-	25.58
3. Expansion of Play School at Township, Ranchi, Jharkhand	8.82	3.58	12.40	12.40	-	8.82	-
4. Construction of Security Post at Township, Ranchi, Jharkhand	-	24.54	24.54	-	24.54	-	-
5. Installation of ceiling fans at Township, Ranchi, Jharkhand	2.70	-	2.70	2.70	-	2.70	-
6. Construction of parking shed at Head Office, Ranchi, Jharkhand	40.97	36.89	77.86	77.86	-	40.97	-
7. Construction of Road	-	62.13	62.13	-	62.13	-	-
8. Upgradation of Office Building at Mumbai	9.85	1.76	11.61	-	11.61	9.85	-
9. Installation of MS Office	140.14	-	140.14	-	140.14	140.14	-
10. Installation of ERP	479.63	586.36	1,065.99	-	1,065.99	479.63	-
11. Campus Wide Wifi Networking at Head Office, Ranchi	-	253.34	253.34	-	253.34	-	-
12. Installation of AC & Voltage Stabiliser	-	1.84	1.84	-	1.84	-	-
TOTAL	723.30	973.52	1,696.82	96.04	1,600.78	723.30	66.77

- i) Installation of paver blocks at Head Office Ranchi has been capitalised and transferred under Roads, Bridges & Culverts in NOTE 3.2- "PROPERTY, PLANT AND EQUIPMENTS (SOCIAL AMENITIES)" ₹3.08 Lakhs.
- ii) Expansion of Play School at Township, Ranchi has been capitalised and transferred under Buildings in NOTE 3.2 - "PROPERTY, PLANT AND EQUIPMENTS (SOCIAL AMENITIES)" ₹12.40 Lakhs.
- iii) Installation of ceiling fans at Township, Ranchi has been capitalised and transferred under Electrical Installations in NOTE 3.2- "PROPERTY, PLANT AND EQUIPMENTS (SOCIAL AMENITIES)" ₹2.70 Lakhs.
- iv) Parking Shed at Head Office, Ranchi, Jharkhand has been capitalised and transferred under Buildings (Freehold) in NOTE 3.1 - "PROPERTY, PLANT AND EQUIPMENTS (GENERAL)" ₹77.86 Lakhs.



NOTE 5 - OTHER INTANGIBLE ASSETS

As on 31st March, 2023

(₹ in lakhs)

Sl. No.	Particulars	COST				AMORTISATION				NET CARRYING AMOUNT	
		As on 01.04.22	Addition/ Adjustment	Sale/ Adjustment	As on 31.03.23	As on 01.04.22	On Sale/ Adjustment	During the period	Upto 31.03.23	As on 31.03.23	As on 31.03.22
1.	Computer Software (General)	1,721.88	122.34	-	1,844.22	1,630.25	0.01	66.82	1,697.06	147.16	91.63
2.	Computer Software (Social Amenities)	13.23	-	-	13.23	13.23	-	-	13.23	-	-
TOTAL		1,735.11	122.34	-	1,857.45	1,643.48	0.01	66.82	1,710.29	147.16	91.63

As on 31st March, 2022

(₹ in lakhs)

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



NOTE 6 - INVESTMENTS (NON-CURRENT)

(₹ in lakhs)

Particulars	As at 31.03.2023		As at 31.03.2022		As at 01.04.2021	
(a) Trade Investment - at Cost (Unquoted)						
i) Investment in Equity Instruments						
1) Joint Venture						
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		7.60	
Less : Provision for impairment in the value of investment	7.60	-	7.60	-	7.60	-
2) Others						
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 (Refer Note No.42.30)	-	-	500.00	-	500.00	-
(b) Other Investment - at Cost (Unquoted)						
Investment in Equity Instruments						
1) Others						
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		11.92
TOTAL		11.92		11.92		11.92

a) Aggregate amount of Quoted Investments	NIL	NIL	NIL
b) Aggregate amount of Unquoted Investments	19.52	519.52	519.52
c) Aggregate provision for impairment in the value of investment	7.60	507.60	507.60



NOTE 7 - TRADE RECEIVABLES (NON-CURRENT)

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022	As at 01.04.2021
a) Considered Good - Secured	-	-	-
b) Considered Good - Unsecured	-	-	-
c) Significant increase in Credit Risk	-	-	-
d) Credit Impaired	13.00	13.00	13.00
	13.00	13.00	13.00
Less : Provision for Bad and Doubtful Trade Receivables & Expected Credit Loss	13.00	13.00	13.00
TOTAL	-	-	-

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

NIL

NIL

NIL

Trade Receivables ageing schedule

(₹ in lakhs)

Sl. No.	Particulars	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	
(i)	Undisputed Trade Receivables - considered good						
	as at 31.03.2023	-	-	-	-	-	-
	<i>as at 31.03.2022</i>	-	-	-	-	-	-
(ii)	Undisputed Trade Receivables - which have significant increase in credit risk						
	as at 31.03.2023	-	-	-	-	-	-
	<i>as at 31.03.2022</i>	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables - credit impaired						
	as at 31.03.2023	-	-	-	-	13.00	13.00
	<i>as at 31.03.2022</i>	-	-	-	-	13.00	13.00
(iii)	Disputed Trade Receivables - considered good						
	as at 31.03.2023	-	-	-	-	-	-
	<i>as at 31.03.2022</i>	-	-	-	-	-	-
(iv)	Disputed Trade Receivables - which have significant increase in credit risk						
	as at 31.03.2023	-	-	-	-	-	-
	<i>as at 31.03.2022</i>	-	-	-	-	-	-
(v)	Disputed Trade Receivables - credit impaired						
	as at 31.03.2023	-	-	-	-	-	-
	<i>as at 31.03.2022</i>	-	-	-	-	-	-
	<i>as at 01.04.2021</i>	-	-	-	-	-	-

Figures in italics relates to previous year



NOTE 8 - LOANS (NON-CURRENT)

(₹ in lakhs)

Particulars		As At 31.03.2023		As At 31.03.2022		As At 01.04.2021	
(a)	Loans to Related Parties		-		-		-
(b)	Others						
	(i) Advance to Employees ##		-		-		-
	(ii) Interest Receivable on Advance to Employees ##		0.05		0.05		0.14
	(iii) Claims Recoverable						
	Considered Good - Secured		-		-		-
	Considered Good - Unsecured	71.15		71.15		6.94	
	Significant increase in Credit Risk		-		-		-
	Credit Impaired	25.43		25.43		88.42	
		96.58		96.58		95.36	
	Less : Provision for Claims Recoverable	25.43	71.15	25.43	71.15	88.42	6.94
	TOTAL		71.20		71.20		7.08

Considered Good - Unsecured

NOTE 9 - OTHER FINANCIAL ASSETS (NON-CURRENT)

(₹ in lakhs)

Particulars		As at 31.03.2023		As at 31.03.2022		As at 01.04.2021	
(a)	Security Deposits						
	(i) Government Authorities ##		5.37		5.38		5.38
	(ii) Others						
	Considered Good - Secured		-		-		-
	Considered Good - Unsecured	1,090.10		714.35		458.03	
	Significant increase in Credit Risk		-		-		-
	Credit Impaired	88.72		140.77		94.58	
		1,178.82		855.12		552.61	
	Less : Provision for doubtful deposits	88.72	1,090.10	140.77	714.35	94.58	458.03
(b)	Bank Balances		2,901.00		1,792.00		1.00
	Fixed deposits with more than 3 months maturity which are due for maturity beyond 12 months from balance sheet date						
	➤ Bank Balances include amounts held as security deposit	2,901.00		1.00		-	
(c)	Interest accrued but not due		131.02		0.28		0.03
(d)	Receivables (including Interest thereon) from sale of Non-Current Investment		78.64		-		-
	TOTAL		4,206.13		2,512.01		464.44



NOTE 10 - DEFERRED TAX ASSETS (NET)

(₹ in lakhs)

Particulars		As at 31.03.2023		As at 31.03.2022		As at 01.04.2021	
(a)	Deferred Tax Assets						
	(i) Provision for Doubtful Trade Receivables	4,541.93		3,764.44		3,479.55	
	(ii) Provision for Gratuity	1,449.91		1,374.90		1,489.44	
	(iii) Provision for ECL	319.48		268.06		338.32	
	(iv) Provision for LD Recovered	2.77		2.77		2.77	
	(v) Provision for Claims Recoverable	892.31		858.31		839.53	
	(vi) Provision for Doubtful Advances to Suppliers	126.21		126.21		126.21	
	(vii) Provision for Doubtful Deposit with Others	28.51		26.80		11.89	
	(viii) Provision for EMD/SD	268.12		268.62		269.33	
	(ix) Provision for Misc. Deductions	1,347.35		875.20		772.16	
	(x) Provision for Disputed Cases	93.88		99.63		99.63	
	(xi) Provision for Service Tax Receivable	501.36		537.31		547.81	
	(xii) Provision for Stagnant Jobs	875.07		955.44		887.26	
	(xiii) Provision for Output VAT Receivable	169.66		155.44		155.44	
	(xiv) Provision for Doubtful GST Receivable	312.57		211.50		56.07	
	(xv) Prov. for Doubtful GST TDS Receivable	2.22		-		-	
	(xvi) Prov. for Doubtful STDS Certificate Receivable	40.86		40.86		40.86	
	(xvii) Prov. for Doubtful STDS Certificate Received	70.54		-		-	
	(xviii) Prov. for Payment of Sales Tax under Dispute	106.23		-		-	
	(xix) Provision for Bonus	2.75		4.21		4.96	
	(xx) Prov. for diminution in the value of Investment	-	11,151.73	174.72	9,744.42	174.72	9,295.95
(b)	Deferred Tax Liability						
	(i) Diff. between book and tax depreciation	791.83		775.82		771.25	
	(ii) Sales Tax Paid	164.77	956.60	162.77	938.59	163.05	934.30
NET DEFERRED TAX ASSET / (LIABILITY) (a) - (b)			10,195.13		8,805.83		8,361.65



NOTE 11 - OTHER NON-CURRENT ASSETS

(₹ in lakhs)

Particulars	As at 31.03.2023		As at 31.03.2022		As at 01.04.2021	
(a) Capital Advances		-		-		-
(b) Advances other than Capital Advances						
(i) Security Deposits		-		-		-
(ii) Advances to related parties		-		-		-
(iii) Other Advances						
- Advance to Suppliers and Sub-Contractors						
Considered Good - Secured #	762.96		762.96		970.67	
Considered Good - Unsecured	-		-		-	
Considered Doubtful	361.12		361.12		361.12	
	1,124.08		1,124.08		1,331.79	
Less : Provision for doubtful advance to Suppliers and Sub-Contractors	361.12	762.96	361.12	762.96	361.12	970.67
- Advance to Others ##		96.68		96.68		96.68
- Prepaid Expenses ##		6.92		7.49		12.84
- Advances to Board of Trustees, MECON Employees Gratuity Fund ##		-		-		-
- Payment against Sales Tax / VAT ##		10.00		10.00		10.00
(c) Others						
- Liquidated Damages Recovered by Clients						
Considered Good - Unsecured	-		-		-	
Considered Doubtful	7.92		7.92		7.92	
	7.92		7.92		7.92	
Less : Provision for doubtful liquidated damages recovered	7.92	-	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		700.76		700.76	
Less : Provision for doubtful EMD, SD, PBG and Advance Amount in dispute	700.76	-	700.76	-	700.76	-
TOTAL		876.56		877.13		1,090.19

Considered Good - Unsecured

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



NOTE 12 - INVENTORIES

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022		As at 01.04.2021	
(a) Stores and Spares	132.92		109.78		139.84
(b) Printing and Stationery	44.14		33.52		30.34
(c) Computer Consumables	47.34		70.23		34.49
<i>Valued as per Accounting Policy (NOTE 2, Sl.No.6)</i>					
TOTAL	224.40		213.53		204.67

NOTE 13 - INVESTMENTS (CURRENT)

(₹ in lakhs)

Particulars	As at 31.03.2023		As at 31.03.2022		As at 01.04.2021	
	No of Units	Amount	No of Units	Amount	No of Units	Amount
Investment in Mutual Funds (At FVTPL)						
Investment in Public Sector Debt Mutual Fund (Unquoted)	-	-	-	-	-	-
TOTAL		-		-		-

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

NOTE 14 - TRADE RECEIVABLES (CURRENT)

(₹ in lakhs)

Particulars	As at 31.03.2023		As at 31.03.2022		As at 01.04.2021	
a) Considered Good - Secured		-		-		-
b) Considered Good - Unsecured	37,120.46		38,357.27		42,872.06	
c) Significant increase in Credit Risk	914.26		767.12		968.18	
d) Credit Impaired	28,980.74		25,422.32		23,754.15	
		67,015.46		64,546.71		67,594.39
Less: Provision for Bad and Doubtful Trade Receivables / Expected Credit Loss		19,596.39		16,711.06		15,387.15
Less: Other Liabilities against Trade Receivables		10,298.61		9,478.38		9,335.18
TOTAL		37,120.46		38,357.27		42,872.06

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

NIL NIL NIL



Trade Receivables ageing schedule

(₹ in lakhs)

Sl. No.	Particulars	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	
(i)	Undisputed Trade Receivables - considered good						
	as at 31.03.2023	24,931.84	3,110.63	6,470.35	2,407.64	200.00	37,120.46
	<i>as at 31.03.2022</i>	<i>22,888.08</i>	<i>5,708.70</i>	<i>4,270.29</i>	<i>5,251.59</i>	<i>238.61</i>	<i>38,357.27</i>
	<i>as at 01.04.2021</i>	<i>30,363.83</i>	<i>2,850.75</i>	<i>5,610.51</i>	<i>3,755.88</i>	<i>291.09</i>	<i>42,872.06</i>
(ii)	Undisputed Trade Receivables - which have significant increase in credit risk						
	as at 31.03.2023	571.53	99.72	166.49	76.52	-	914.26
	<i>as at 31.03.2022</i>	<i>428.23</i>	<i>127.84</i>	<i>82.39</i>	<i>128.66</i>	-	<i>767.12</i>
	<i>as at 01.04.2021</i>	<i>637.87</i>	<i>70.38</i>	<i>174.16</i>	<i>85.77</i>	-	<i>968.18</i>
(iii)	Undisputed Trade Receivables - credit impaired						
	as at 31.03.2023	241.25	1,281.48	862.51	962.52	25,632.98	28,980.74
	<i>as at 31.03.2022</i>	<i>854.44</i>	<i>872.03</i>	<i>468.92</i>	<i>931.00</i>	<i>22,295.93</i>	<i>25,422.32</i>
	<i>as at 01.04.2021</i>	<i>294.91</i>	<i>509.04</i>	<i>2,454.27</i>	<i>410.83</i>	<i>20,085.10</i>	<i>23,754.15</i>
(iv)	Disputed Trade Receivables - considered good						
	as at 31.03.2023	-	-	-	-	-	-
	<i>as at 31.03.2022</i>	-	-	-	-	-	-
	<i>as at 01.04.2021</i>	-	-	-	-	-	-
(v)	Disputed Trade Receivables - which have significant increase in credit risk						
	as at 31.03.2023	-	-	-	-	-	-
	<i>as at 31.03.2022</i>	-	-	-	-	-	-
	<i>as at 01.04.2021</i>	-	-	-	-	-	-
(vi)	Disputed Trade Receivables - credit impaired						
	as at 31.03.2023	-	-	-	-	-	-
	<i>as at 31.03.2022</i>	-	-	-	-	-	-
	<i>as at 01.04.2021</i>	-	-	-	-	-	-

Figures in italics relates to previous year

Liability already exist under Sundry Creditors against Undisputed Trade Receivables - considered good amounting to ₹200.00 lakhs (Refer Note 29).



NOTE 15 - CASH AND CASH EQUIVALENTS

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022	As at 01.04.2021
i) Cash at Bank (Current & Flexi Deposit A/cs)	15,459.99	18,260.76	10,453.35
ii) Cheques & Drafts on hand	-	-	-
iii) Cash & Stamps on hand	3.12	4.53	7.13
TOTAL	15,463.11	18,265.29	10,460.48
► Cash at Bank (Current & Flexi Deposit A/cs) include amounts held in the Separate Bank Accounts maintained on behalf of Clients.	13,565.31	17,890.53	10,019.24

NOTE 16 - OTHER BANK BALANCES

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022	As at 01.04.2021
(a) Fixed Deposits with more than 3 months maturity which are due for maturity within 12 months from balance sheet date	47,733.22	50,651.40	51,805.00
(b) Interest accrued but not due on Fixed Deposits	1,053.58	622.68	898.10
TOTAL	48,786.80	51,274.08	52,703.10
► Other Bank Balances include amounts earmarked / available for specified purposes as under :			
i) CSR and SD Expenditure	223.05	193.35	265.81
► Other Bank Balances include amounts held as margin money & security under lien against borrowings, etc.	23,441.89	10,259.40	9,201.00
► Other Bank Balances include Deposits with more than 12 months maturity	-	-	-



NOTE 17 - LOANS (CURRENT)

(₹ in lakhs)

Particulars		As at 31.03.2023		As at 31.03.2022		As at 01.04.2021	
(a)	Loans to Related Parties		-		-		-
(b)	Others						
	(i) Advance to Employees						
	Considered Good- Secured ##	-		-		-	
	Considered Good - Unsecured	206.02		211.84		271.41	
	Significant increase in Credit Risk	-		-		-	
	Credit Impaired	-	206.02	-	211.84	-	271.41
	(ii) Interest Receivable on Advance to Employees ##		0.40		0.52		0.69
	(iii) Claims Recoverable						
	Considered Good - Secured	-		-		-	
	Considered Good - Unsecured	603.92		374.20		320.14	
	Significant increase in Credit Risk	-		-		-	
	Credit Impaired	2,531.15		2,430.79		2,314.06	
		3,135.07		2,804.99		2,634.20	
	Less : Provision for Doubtful Claims Recoverable	2,531.15	603.92	2,430.79	374.20	2,314.06	320.14
	TOTAL		810.34		586.56		592.24

Secured against buildings and vehicles

NOTE 18 - OTHER FINANCIAL ASSETS (CURRENT)

(₹ in lakhs)

Particulars		As at 31.03.2023		As at 31.03.2022		As at 01.04.2021	
(a)	Security Deposits						
	Deposit with Others						
	Considered Good - Secured	-		-		-	
	Considered Good - Unsecured	186.96		162.48		207.60	
	Significant increase in Credit Risk	-		-		-	
	Credit Impaired	59.40		3.84		9.41	
		246.36		166.32		217.01	
	Less : Provision for Doubtful Deposit with Others	59.40	186.96	3.84	162.48	9.41	207.60
(b)	Jobs-in-Progress for Consultancy Services	6,490.48		7,177.62		7,726.75	
	<i>Valued as per Accounting Policy (NOTE 2, Sl.No.9)</i>						
	Less : Provision for Stagnant Jobs-in-Progress	2,504.21	3,986.27	2,734.22	4,443.40	2,539.07	5,187.68
(c)	Other Receivables		1,186.59		498.58		147.86
	TOTAL		5,359.82		5,104.46		5,543.14



NOTE 19 - CURRENT TAX ASSETS (NET)

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022	As at 01.04.2021
Payment against Income Taxes (Net)	3,757.15	3,948.50	996.19
CURRENT TAX ASSETS / (LIABILITIES)	3,757.15	3,948.50	996.19

NOTE 20 - OTHER CURRENT ASSETS

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022	As at 01.04.2021
(a) Advances other than capital advances			
(i) Security Deposits	-	-	-
(ii) Advances to related parties	-	-	-
(iii) Other Advances			
- Advances to Contractors*	94.10	32.14	17.60
- Advance to Suppliers and Sub-Contractors			
Considered Good- Secured#	1,003.17	815.59	773.95
Considered Good - Unsecured	10.89	11.09	11.09
Considered Doubtful	0.06	0.06	0.06
	1,014.12	826.74	785.10
Less : Provision for doubtful advance to Suppliers and Sub-Contractors	0.06	0.06	0.06
- Advance to Others & Canteen*	23.65	35.95	14.41
- Prepaid Expenses *	61.27	55.72	32.54
- Payment against Sales Tax / VAT (Net)*	470.04	993.62	1,005.09
- Service Tax Receivable			
Considered Good - Unsecured	25.78	25.81	25.36
Considered Doubtful	-	14.10	14.62
	25.78	39.91	39.98
Less : Provision for Service Tax Receivable	-	14.10	14.62
- GST Receivable			
Considered Good - Unsecured	3,338.15	2,553.05	1,806.66
Considered Doubtful	6.53	-	-
	3,344.68	2,553.05	1,806.66
Less : Provision for GST Receivable	6.53	-	-
- Receivable against Deposit Works *	4,134.18	378.09	
(b) Others			
- Liquidated Damages Recovered by Clients			
Considered Good - Unsecured	-	-	0.22
Considered Doubtful	-	-	-
	-	-	0.22
Less : Provision for doubtful liquidated damages recovered	-	-	-
TOTAL	9,161.23	4,901.06	3,686.92

* Considered Good - Unsecured

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



NOTE 21 : EQUITY SHARE CAPITAL

(₹ in lakhs)

	As at 31.03.2023	As at 31.03.2022	As at 01.04.2021
AUTHORISED #			
Equity Shares			
4,10,00,000 (Previous year 4,10,00,000) Equity Shares of ₹10/- each	4,100.00	4,100.00	4,100.00
	4,100.00	4,100.00	4,100.00
ISSUED, SUBSCRIBED AND FULLY PAID UP			
Equity Shares			
4,01,38,360 (Previous year 4,01,38,360) Equity Shares of ₹10/- each with voting rights.	4,013.84	4,013.84	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 th 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 th March,2007			
TOTAL :	4,013.84	4,013.84	4,013.84

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 31.03.2023	As at 31.03.2022	As at 01.04.2021
Equity Shares			
Number of Shares Outstanding at the beginning	4,01,38,360	4,01,38,360	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	4,01,38,360	4,01,38,360	4,01,38,360



NOTE 22 : OTHER EQUITY

(₹ in lakhs)

	As at 31.03.2023		As at 31.03.2022		As at 01.04.2021	
A. RESERVES AND SURPLUS						
Capital Redemption Reserve #						
As per last Balance Sheet		6,300.00		6,300.00		6,300.00
CSR Activity Reserve ##						
As per last Balance Sheet	12.28		84.74		35.44	
Add : Transferred from Other Current Non-Financial Liabilities	181.07		-		-	
Add : Surplus not forming part of business profit	7.40		-		-	
Add : Transferred from Surplus	83.75		77.38		93.99	
Less : Transferred to Surplus	61.45	223.05	149.84	12.28	44.69	84.74
General Reserve ###						
As per last Balance Sheet	9,852.39		9,852.39		9,852.39	
Add : Transferred from Surplus	-	9,852.39	-	9,852.39	-	9,852.39
Retained Earnings ####						
As per last Balance Sheet	22,996.89		21,554.58		23,146.94	
Add : Net Profit / (Loss) from Statement of Profit and Loss	3,100.93		1,369.85		624.37	
Add : Transferred from CSR Activity Reserve	61.45		149.84		44.69	
Amount available for appropriation	26,159.27		23,074.27		23,816.00	
Less : Transferred to CSR Activity Reserve	87.18		77.38		93.99	
Less : Dividend on Equity Shares	410.95		-		2,167.43	
Less : Transferred to General Reserve	-	25,661.14	-	22,996.89	-	21,554.58
B. OTHER COMPREHENSIVE INCOME*						
As per last Balance Sheet	(4,882.85)		(4,696.79)		(3,524.47)	
Add: Other Comprehensive Income from Statement of Profit and Loss	(1,723.52)	(6,606.37)	(186.06)	(4,882.85)	(1,172.32)	(4,696.79)
TOTAL		35,430.21		34,278.71		33,094.92

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 31.03.2023		As at 31.03.2022		As at 01.04.2021	
Trade Payables						
i) Dues to Micro & Small Enterprises (Refer Note 42.18) (due but not payable on reporting date as per contract)		2,576.47		1,604.32		1,514.85
ii) Others		2,897.76		3,120.21		2,959.27
TOTAL		5,474.23		4,724.53		4,474.12

NOTE 24 - OTHER FINANCIAL LIABILITIES (NON-CURRENT)

(₹ in lakhs)

Particulars	As at 31.03.2023		As at 31.03.2022		As at 01.04.2021	
(a) Other Payables						
(i) Sundry Creditors		154.51		154.51		171.87
(ii) Securities and Other Deposits		1,470.45		1,492.13		1,253.44
(iii) Deposit under Employees Family Benefit Scheme		435.15		544.74		238.97
(iv) Liability for Employees		759.07		539.30		270.77
TOTAL		2,819.18		2,730.68		1,935.05

NOTE 25 - PROVISIONS (NON-CURRENT)

(₹ in lakhs)

Particulars	As at 31.03.2023		As at 31.03.2022		As at 01.04.2021	
(a) Provision for Employee Benefits						
(i) Provision for Gratuity (Present Value of Defined Benefit Obligation as per actuarial valuation)	3,236.07		2,806.32		3,062.14	
(ii) Provision for Leave Encashment (Present Value of Defined Benefit Obligation as per actuarial valuation)	15,364.30		13,575.12		14,172.51	
(iii) Provision for Other Employee Defined Benefit Schemes (Present Value of Defined Benefit Obligation as per actuarial valuation)	6,877.22		6,803.53		6,765.11	
		25,477.59		23,184.97		23,999.76
(b) Other Provisions						
(i) Provision for Miscellaneous Deduction by Clients		716.11		-		-
(ii) Provision for Disputed Cases		268.65		285.13		285.13
TOTAL		26,462.35		23,470.10		24,284.89



NOTE 26 - OTHER NON-CURRENT LIABILITIES

(₹ in lakhs)

Particulars		As at 31.03.2023	As at 31.03.2022	As at 01.04.2021
(i)	Advances from Clients	11.19	11.19	11.19
(ii)	Liquidated Damages Recovered from Parties	364.32	351.62	361.64
TOTAL		375.51	362.81	372.83

NOTE 27 - BORROWINGS (CURRENT)

(₹ in lakhs)

Particulars		As at 31.03.2023	As at 31.03.2022	As at 01.04.2021
(a)	Working Capital Borrowings from Bank (Secured against Fixed Deposits with Banks under lien)	-	-	-
(b)	Current Maturity of Non-Current Borrowings	-	-	-
TOTAL		-	-	-

NOTE 28 - TRADE PAYABLES (CURRENT)

(₹ in lakhs)

Particulars		As at 31.03.2023		As at 31.03.2022		As at 01.04.2021
Trade Payables						
(i)	Dues to Micro & Small Enterprises (Refer Note 42.18)					
	- due but not payable on reporting date as per contract	6,089.44		1,587.98		
	- due and payable	670.58	6,760.02	704.05	2,292.03	3,734.63
(ii)	Others		13,822.78		12,260.52	11,378.91
TOTAL			20,582.80		14,552.55	15,113.54

Trade Payables ageing Schedule

(₹ in lakhs)

Sl. No.	Particulars	Outstanding for following periods from due date of payment				
		Less than 1 year	1 year to 2 years	2 years to 3 years	More than 3 years	Total
(i)	MSME					
	<i>as at 31.03.2023</i>	6,759.23	-	-	0.79	6,760.02
	<i>as at 31.03.2022</i>	863.03	504.65	153.57	770.78	2,292.03
	<i>as at 01.04.2021</i>	2,793.49	117.30	125.96	697.88	3,734.63
(ii)	Others					
	<i>as at 31.03.2023</i>	13,633.67	7.35	-	14.21	13,655.23
	<i>as at 31.03.2022</i>	6,752.44	913.25	324.76	4,102.52	12,092.97
	<i>as at 01.04.2021</i>	4,227.09	641.08	945.22	5,565.52	11,378.91
(iii)	Disputed dues - MSME					
	<i>as at 31.03.2023</i>	-	-	-	-	-
	<i>as at 31.03.2022</i>	-	-	-	-	-
	<i>as at 01.04.2021</i>	-	-	-	-	-
(iv)	Disputed dues - Others					
	<i>as at 31.03.2023</i>	-	-	-	167.55	167.55
	<i>as at 31.03.2022</i>	-	-	-	167.55	167.55
	<i>as at 01.04.2021</i>	-	-	-	-	-

Figures in italics relates to previous year



NOTE 29 - OTHER FINANCIAL LIABILITIES (CURRENT)

(₹ in lakhs)

Particulars		As at 31.03.2023		As at 31.03.2022		As at 01.04.2021	
(a)	Interest accrued but not due on borrowings		-		-		-
(b)	Interest accrued and due on borrowings		-		-		-
(c)	Other Payables						
(i)	Sundry Creditors						
	- Micro & Small Enterprises						
	- due but not payable on reporting date as per contract	-		-		-	
	- due and payable	118.10		244.83		-	
	- Others	6,095.46	6,213.56	5,177.01	5,421.84	4,273.19	4,273.19
(ii)	Securities and other deposits		798.04		662.02		700.94
(iii)	Deposit under Employees Family Benefit Scheme		14.79		17.73		113.90
(iv)	Liability for Employees		4,739.11		7,189.75		6,017.83
(v)	Invoice raised but not accrued (Net)		10,859.40		13,348.25		15,434.19
	TOTAL		22,624.90		26,639.59		26,540.05

NOTE 30 - OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars		As at 31.03.2023		As at 31.03.2022		As at 01.04.2021	
(i)	Advances from Clients		3,203.32		3,079.30		3,051.22
(ii)	Deposit from Clients (Deposit Works)		11,251.30		14,695.29		9,168.50
(iii)	Liquidated Damages Recovered from Parties		13.56		10.32		12.31
(iv)	VAT / Central Sales Tax Liability		46.80		131.45		137.42
(v)	Service Tax Liability		1.11		2.74		1.11
(vi)	GST Payable		3,873.56		4,169.05		3,770.27
(vii)	Others (including CSR / SD Fund)		381.67		431.44		248.29
	TOTAL		18,771.32		22,519.59		16,389.12



NOTE 31 - PROVISIONS (CURRENT)

(₹ in lakhs)

Particulars		As at 31.03.2023		As at 31.03.2022		As at 01.04.2021	
(a)	Provision for Employee Benefits						
	(i) Provision for Gratuity (Present Value of Defined Benefit Obligation as per actuarial valuation)	913.18		1,128.27		1,200.31	
	(ii) Provision for Leave Encashment (Present Value of Defined Benefit Obligation as per actuarial valuation)	1,152.08		1,214.86		1,015.68	
	(iii) Provision for Other Employee Defined Benefit Schemes (Present Value of Defined Benefit Obligation as per actuarial valuation)	1,150.43		502.38		473.10	
	(iv) Provision for Employee Defined Contribution Schemes	2,501.85		3,306.16		1,630.82	
			5,717.54		6,151.67		4,319.91
(b)	Other Provisions						
	(i) Provision for Bonus		7.87		12.06		14.19
	(ii) Provision for Expenses & Contractual Obligations		2,135.33		3,111.17		3,172.98
	(iii) Provision for Miscellaneous Deductions by Clients		256.81		-		-
	TOTAL		8,117.55		9,274.90		7,507.08

NOTE 32 - REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars		2022-23	2021-22
(a)	Revenue from Consultancy Services	41,182.29	38,285.59
(b)	Revenue from Construction Contracts	38,544.09	19,316.66
(c)	Revenue from Procurement Services	1,111.99	1,064.87
(d)	Revenue from Operation & Maintenance Services	4,658.35	-
(e)	Other Operating Revenue		
	(i) Provision no longer required written back (Direct)	2,484.23	1,342.56
	(ii) Others	964.97	466.61
	TOTAL	88,945.92	60,476.29

NOTE 32.1 - GROSS INCOME DERIVED FROM SERVICES RENDERED

[Refer Note 32(a), 32(b), 32(c) & 32(d)]

(₹ in lakhs)

Particulars		2022-23	2021-22
(a)	Engineering, Technical Consultancy, Project Management Services, etc. - Domestic	41,114.66	37,825.20
(b)	Engineering, Technical Consultancy, Project Management Services, etc. - Foreign	67.63	460.39
(c)	Execution of Construction Contracts / EPC Contracts including Supply of Equipment & Components, etc.	38,544.09	19,316.66
(d)	Procurement Services	1,111.99	1,064.87
(e)	Operations and Maintenance	4,658.35	-
	TOTAL	85,496.72	58,667.12



NOTE 33 - OTHER INCOME

(₹ in lakhs)

Particulars		2022-23	2021-22
(a)	Interest Income		
	(i) Interest from Bank (Tax deducted at Source ₹180.77 lakhs) (CPLY ₹212.85 lakhs)	2,538.72	2,223.99
	(ii) Interest from Income Tax Department and Others	191.55	3.43
(b)	Dividend Income from Non-Current Investment	2.13	1.60
(c)	Other Non-Operating Income		
	(i) Gain / (Loss) on Redemption of Investments in Mutual Funds	3.80	0.72
	(ii) Profit on Sale / Disposal of Fixed Assets	0.72	0.74
	(iii) Income from Township	1,131.11	1,165.77
	(iv) Provision no longer required written back	1,618.61	78.51
	(v) Miscellaneous Income	161.73	170.01
TOTAL		5,648.37	3,644.77

NOTE 34 - PURCHASE OF EQUIPMENTS & DIRECT EXPENSES

(₹ in lakhs)

Particulars		2022-23	2021-22
(a)	Purchase of Equipments & Components for execution of jobs	20,976.92	5,299.84
(b)	Expenses on Sub-Contractors & Others for execution of jobs	18,990.12	13,750.66
(c)	Expenses on Operations & Maintenance	4,863.91	-
(d)	Provision for Expenses & Contractual Obligations for execution of jobs	169.46	25.52
TOTAL (a)+(b)+(c)		45,000.41	19,076.02

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

(₹ in lakhs)

Particulars		2022-23	2021-22
(a)	Opening Jobs-in-Progress (Consultancy)	7,177.62	7,726.75
(b)	Closing Jobs-in-Progress (Consultancy)	6,490.48	7,177.62
(a)-(b)		687.14	549.13



NOTE 36 - EMPLOYEE BENEFITS EXPENSES

(₹ in lakhs)

Particulars		2022-23	2021-22
(a)	Salaries & Wages		
	- Salary and Allowances	22,145.46	21,308.55
	- Leave Encashment	2,098.72	1,925.48
	- Perks and Allowances	2,278.08	2,880.19
	- Bonus	2.70	1.91
	- Superannuation Benefits	2,849.88	1,956.46
	Sub-Total	29,374.84	28,072.59
(b)	Company's Contribution to Provident and Other Fund	3,212.83	3,229.97
(c)	Staff Welfare Expenses		
	- Education	8.59	4.50
	- Medical	679.74	797.92
	- Social & Cultural Activities	61.78	48.73
	- Rent (Residential)	48.68	44.03
	- Group Insurance Premium	2.93	0.60
	- Staff Welfare (Others)	264.62	217.26
	Sub-Total	1,066.34	1,113.04
	TOTAL (a)+(b)+(c)	33,654.01	32,415.60

NOTE 37 - FINANCE COSTS

(₹ in lakhs)

Particulars		2022-23	2021-22
a)	Interest		
	Interest on Loan from Banks	116.92	62.16
	Sub-Total (a)	116.92	62.16
b)	Other Borrowing Costs		
	i) Bank Charges	71.50	42.61
	ii) BG / LC Commission	33.02	46.60
	Sub-Total (b)	104.52	89.21
	TOTAL (a) + (b)	221.44	151.37

NOTE 38 - DEPRECIATION AND AMORTISATION EXPENSES

(₹ in lakhs)

Particulars		2022-23	2021-22
a)	Depreciation	679.16	609.26
b)	Amortisation	66.82	81.22
	TOTAL (a) + (b)	745.98	690.48

**NOTE 39 - OTHER EXPENSES**

(₹ in lakhs)

Particulars		2022-23		2021-22	
1.	Travelling Expenses		1,916.07		1,568.14
2.	Foreign Deputation		42.85		58.76
3.	Maintenance & Repairs to Buildings		1,585.59		1,712.05
4.	Repairs (Others)		63.06		53.34
5.	Stores & Spares consumed		127.30		129.09
6.	Printing & Stationery consumed		96.72		48.09
7.	Expenses on Computer Consumables		89.16		46.08
8.	Rent (Non-residential)		355.53		410.37
9.	Rates & Taxes		99.47		102.02
10.	Advertisement & Publicity		41.42		43.04
11.	Payment to Auditors :				
	- As Statutory Auditor	4.00		4.00	
	- For Income Tax / GST Audit Matters	0.60		0.60	
	- For Quarterly Audit	3.00		3.00	
	- For reimbursement of expenses	3.51	11.11	2.94	10.54
12.	Insurance		11.92		14.36
13.	Training Expenses :				
	- Inland	37.68		24.25	
	- Foreign	-	37.68	-	24.25
14.	Postage & Telecommunications		162.39		117.41
15.	Computer Services		114.84		196.67
16.	Power and Fuel		531.25		426.09
17.	Legal & Professional Charges		156.63		111.72
18.	Assets Charged to Revenue		1.92		0.48
19.	Other Administrative and Misc. Expenses		1,588.34		1,196.98
20.	Expenses on CSR and Sustainable Development		61.45		149.84
21.	Expenses on Research & Development		-		1.08
22.	Loss on Sale / Disposal of Fixed Assets		1.65		0.66
23.	Provisions				
	- Provision for Doubtful Trade Receivables / ECL		3,198.86		1,564.45
	- Provision for Claims Recoverable		97.32		116.73
	- Provision for Doubtful Deposit with Others		13.99		42.64
	- Provision for Earnest Money Deposit		1.38		2.00
	- Provision for Stagnant Jobs-in-Progress		150.58		372.68
	- Provision for Service Tax Receivable		0.03		9.23
	- Provision for VAT / Cess Receivable		43.55		0.01
	- Provision for GST Receivable		324.56		456.35
	- Provision for GST TDS Certificate Receivable		6.35		-
	- Provision for Doubtful ITDS Credit		30.36		-
	- Provision for Doubtful GST Certificate Receivable		201.88		-
	- Provision against Payment of Sales Tax Under Dispute		304.00		-
	- Provision for Misc. Deduction by Clients		1,516.06		299.65
TOTAL			12,985.27		9,284.80



NOTE 40: CONTINGENT LIABILITIES, CONTINGENT ASSETS AND COMMITMENTS

(to the extent not provided for)

(₹ in lakhs)

	Particulars	31.03.2023	31.03.2022
40.1	Contingent Liabilities		
i)	Claims against Company under liquidated damage clause by the Clients.	NIL	NIL
ii)	Income tax in dispute / under appeal	525.33	781.60
iii)	Sales tax demands pending appeals with Appellate Authorities.	2,141.70	2,074.40 ^
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.	15,119.27#	14,015.77
vi)	Claims against Company for electricity supply by Jharkhand Urja Vikas Nigam Limited (JUVNL) in dispute ₹2,486.07 lakhs. Out of this, ₹527.14 lakhs is paid / provided in accounts pending final decision during the FY 2015-16.	1,958.93	1,958.93
vii)	The Regional Provident Fund Commissioner-II, Jharkhand, Ranchi ordered for payment of ₹385.27 lakhs by way of interest and penalty to the BOT, arising out of delayed remittances by the Company to the BOT, MECON Employees Provident Fund Trust. The Company disputed the same and filed an appeal with EPF, Appellate Tribunal, New Delhi after depositing ₹96.32 lakhs as interim adhoc advance. The Hon'ble High Court of Jharkhand, vide order dated 30 th 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. 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. Writ Petition has been filed before Hon'ble Jharkhand High Court against the order dated 14.02.2017 passed by EPF, Appellate Tribunal, New Delhi.	322.91	322.91
viii)	Arrears Perks and Allowances in respect of executive employees for the period 26.11.2008 to 20.10.2009 as estimated following the order no. O.A. 350/00191/2014 dated 15.02.2016 issued by the Central Administrative Tribunal, Calcutta Bench. The matter is in dispute and is pending before the Hon'ble Calcutta High Court as intimated by the Ministry of Steel.	3,079.66	3,079.66
ix)	Interest on arrear perks and allowances in respect of executive employees as determined upto 31.03.2023 following order no. O.A. 350/00191/2014 dated 15.02.2016 passed by the Central Administrative Tribunal, Calcutta Bench, pending final decision.	7,455.86	6,901.52

^Restated

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

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



(₹ in lakhs)

	Particulars	31.03.2023	31.03.2022 [^]
40.2	Contingent Assets		
i.	Recovery of undue amount towards leave salary (HPL) from Ex- employees. Lawsuit (457 to 464 of 215) has been filed before Civil Judge (Sr. Division) No. I, Ranchi.	49.94	49.94
ii.	Recovery of money lent and advanced & enforcement of security from Ex- executive. Suit No. 41/97 has been filed before Additional District Judge at Durgapur.	0.97	0.97
iii.	Balance Deferred amount realizable pursuant to strategic disinvestment of NINL (Refer Note No. 42.29)	596.66	NIL

[^]Restated

(₹ in lakhs)

	Particulars	31.03.2023	31.03.2022
40.3	Commitments		
	Estimated amount of contracts/orders remaining to be executed/supplied on capital account and not provided for	1,109.48	1,634.05

NOTE 41: PROPOSED DIVIDEND

(₹ in lakhs)

Particulars	2022-23	2021-22
Proposed Dividend on Equity Shares		
Total Dividend (₹ in lakhs)	930.28	410.96
Dividend per share (₹)	2.32	1.02

NOTE 42: ADDITIONAL INFORMATION AND OTHER DISCLOSURES

(₹ in lakhs)

	Particulars	2022-23		2021-22	
42.1	Letters of Credit opened with Bankers for purchase of equipment & components and technical services.	4,106.04		NIL	
42.2	Guarantees given by Banks for and on behalf of the Company to different clients etc.	19,804.94		20,002.91	
42.3	Earnings in Foreign Exchange Fees for services rendered.	67.63		460.39	
42.4	Expenditure in Foreign Currency				
	(i) Professional and Consultation Fees	NIL		NIL	
	(ii) Other matters	12.82	12.82	11.10	11.10
42.5	Value of Imports (Calculated on CIF basis)				
	(i) Equipment, components & spares parts used in construction contract	155.42		NIL	
	(ii) Capital goods	NIL	155.42	NIL	NIL
42.6	(i) Expenses on Advertisement & Publicity				
	a) Advertisement	25.90		38.28	
	b) Publicity	15.51	41.41	4.76	43.04
	(ii) Expenses on Public Relation Establishment		93.27		113.98
42.7	Expenses on Engineering, Research & Development Wing / establishment, including capital assets		92.65		72.71



42.8 PARTICULARS OF PROVISIONS

(₹ in lakhs)

PARTICULARS	Provision for Bonus	Provision for Bad & Doubtful Trade Receivables	Provision for Liquidated Damages recovered by Clients	Provision for Claims Recoverable	Provision for Doubtful Earnest Money Deposit	Provision for Doubtful Deposit with Others	Provision for doubtful advances to suppliers/ sub-contractors	Provision for Miscellaneous Deductions by Clients	Provision for Disputed Cases, Stagnant jobs, EMD, SD, etc
Opening Balance as on 01.04.2022	12.06 <i>(14.19)</i>	10,772.77 <i>(9,957.50)</i>	7.92 <i>(7.92)</i>	2,456.22 <i>(2,402.48)</i>	67.94 <i>(69.96)</i>	76.68 <i>(34.03)</i>	361.18 <i>(361.18)</i>	2,504.57 <i>(2,209.71)</i>	6,585.06 <i>(5,975.19)</i>
Add: Provision made during the year	7.87 <i>(8.40)</i>	3,051.72 <i>(1,564.45)</i>	NIL <i>(NIL)</i>	97.32 <i>(116.73)</i>	1.38 <i>(2.00)</i>	13.98 <i>(42.64)</i>	NIL <i>(NIL)</i>	1,516.06 <i>(299.65)</i>	1,061.31 <i>(838.27)</i>
Add : Inter head adjustment	NIL <i>(NIL)</i>	NIL <i>(NIL)</i>	NIL <i>(NIL)</i>	NIL <i>(NIL)</i>	-2.00 <i>(NIL)</i>	2.00 <i>(NIL)</i>	NIL <i>(NIL)</i>	NIL <i>(NIL)</i>	NIL <i>(NIL)</i>
Less: Provision utilised during the year	3.23 <i>(4.04)</i>	95.93 <i>(148.59)</i>	NIL <i>(NIL)</i>	NIL <i>(NIL)</i>	NIL <i>(NIL)</i>	NIL <i>(NIL)</i>	NIL <i>(NIL)</i>	2.42 <i>(NIL)</i>	92.24 <i>(32.48)</i>
Less: Unused provision reversed during the year	8.83 <i>(6.49)</i>	730.82 <i>(600.59)</i>	NIL <i>(NIL)</i>	NIL <i>(62.99)</i>	0.80 <i>(4.02)</i>	11.06 <i>(NIL)</i>	NIL <i>(NIL)</i>	162.48 <i>(4.79)</i>	506.03 <i>(195.92)</i>
Closing Balance as on 31.03.2023	7.87 <i>(12.06)</i>	12,997.74 <i>(10,772.77)</i>	7.92 <i>(7.92)</i>	2,553.54 <i>(2,456.22)</i>	66.52 <i>(67.94)</i>	81.60 <i>(76.67)</i>	361.18 <i>(361.18)</i>	3,855.73 <i>(2,504.57)</i>	7,048.10 <i>(6,585.06)</i>

Figures in bracket and Italics relates to previous year.

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

A Defined Benefit Scheme

A.1 General Description of Defined Benefit Schemes:

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, in a calendar year, not more than 50% of the earned leave at credit at the time of application or 30 days, whichever is less and the balance earned leave shall not be less than 60 days after such encashment.

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)

Sl.	Particulars	1	2	3	4	5	6	7	8
		Gratuity	Leave Encashment	Post Retirement Medical Benefits	Post Retirement Settlement Benefits	Employee Family Benefit Scheme	Retirement Gift	Long Service Award	LTC/ LTA
1	P.V. of DBO (Opening)	9,251.88	14,789.98	2,718.58	170.87	288.36	39.63	79.73	56.00
	<i>P.V. of DBO (Opening) (Previous Year)</i>	<i>10,063.88</i>	<i>15,188.19</i>	<i>2,664.62</i>	<i>175.62</i>	<i>271.48</i>	<i>38.44</i>	<i>73.71</i>	<i>61.60</i>
2	Current Service Cost	369.56	1,044.20	-	8.98	-	1.59	4.96	-
	<i>Current Service Cost (Previous Year)</i>	<i>393.54</i>	<i>898.76</i>	-	<i>8.93</i>	-	<i>1.80</i>	<i>4.98</i>	-
3	Interest Cost	659.64	1,054.52	193.83	12.18	20.56	2.82	5.69	3.99
	<i>Interest Cost (Previous Year)</i>	<i>680.32</i>	<i>1,026.72</i>	<i>190.00</i>	<i>11.87</i>	<i>18.35</i>	<i>2.60</i>	<i>5.22</i>	<i>4.16</i>
4	Actuarial Loss/ (Gain)	(418.65)	2,403.22	87.93	(14.14)	8.08	(3.88)	(5.44)	(1.06)
	<i>Actuarial Loss/ (Gain) (Previous Year)</i>	<i>(484.95)</i>	<i>559.12</i>	<i>83.27</i>	<i>(16.47)</i>	<i>52.95</i>	<i>2.88</i>	<i>3.01</i>	<i>8.58</i>
5	Premium Paid	17.07	-	-	-	-	-	-	-
	<i>Premium Paid (Previous Year)</i>	<i>(19.49)</i>	-	-	-	-	-	-	-
6	Past Service Cost	-	-	-	-	-	-	-	-
	<i>Past Service Cost (Previous Year)</i>	-	-	-	-	-	-	-	-
7	Benefit Paid	(1,212.14)	(2,775.54)	(205.14)	(7.76)	(49.75)	(5.59)	(8.70)	(6.73)
	<i>Benefit Paid (Previous Year)</i>	<i>(1,381.42)</i>	<i>(2,882.81)</i>	<i>(219.31)</i>	<i>(9.08)</i>	<i>(54.42)</i>	<i>(6.09)</i>	<i>(7.19)</i>	<i>(18.34)</i>
8	P.V. of DBO (Closing)	8,667.36	16,516.38	2,795.20	170.13	267.25	34.57	76.24	52.20
	<i>P.V. of DBO (Closing) (Previous Year)</i>	<i>9,251.88</i>	<i>14,789.98</i>	<i>2,718.58</i>	<i>170.87</i>	<i>288.36</i>	<i>39.63</i>	<i>79.73</i>	<i>56.00</i>



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

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

(₹ in lakhs)

Sl.	Particulars	As on 31.03.2023	As on 31.03.2022
1	F.V. of Plan Assets (Opening)	5,317.29	5,801.43
2	Interest Income	379.12	392.18
3	Benefit Payment	(1,147.58)	(1,360.95)
4	Contributions made	1.64	501.69
5	Actuarial (Loss)/ Gain	(32.35)	(17.06)
6	F.V. of Plan Assets (Closing)	4,518.12	5,317.29
7	P.V. of D.B.O. (Closing)	8,667.36	9,251.88
	Net liability / (assets) recognised in the Balance Sheet	4,149.24	3,934.59

A.4 Provident Fund

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

The defined benefit obligations , other than Gratuity and Provident fund, are unfunded.

A.5 Expenses Recognised in Statement of Profit & Loss

(₹ in lakhs)

Sl.	Particulars	1	2	3	4	5	6	7	8
		Gratuity	Leave Encashment	Post Retirement Medical Benefits	Post Retirement Settlement Benefits	Employee Family Benefit Scheme	Retirement Gift	Long Service Award	LTC/LTA
1	Current Service Cost	369.56	1,044.20	-	8.98	-	1.59	4.96	-
	<i>Current Service Cost (Previous Year)</i>	<i>393.54</i>	<i>898.76</i>	-	<i>8.93</i>	-	<i>1.80</i>	<i>4.98</i>	-
2	Past Service Cost	-	-	-	-	-	-	-	-
	<i>Past Service Cost (Previous Year)</i>	-	-	-	-	-	-	-	-
3	Interest Cost	659.64	1,054.52	193.83	12.18	20.56	2.82	5.69	3.99
	<i>Interest Cost (Previous Year)</i>	<i>680.32</i>	<i>1,026.72</i>	<i>190.00</i>	<i>11.87</i>	<i>18.35</i>	<i>2.60</i>	<i>5.22</i>	<i>4.16</i>
4	Interest Income on Plan Assets	(379.12)	-	-	-	-	-	-	-
	<i>Interest Income on Plan Assets (Previous Year)</i>	<i>(392.18)</i>	-	-	-	-	-	-	-
	Expenses Recognised in Statement of Profit and Loss	650.08	2,098.72	193.83	21.16	20.56	4.41	10.65	3.99
	<i>Expenses Recognised in Statement of Profit and Loss (Previous Year)</i>	<i>681.68</i>	<i>1,925.48</i>	<i>190.00</i>	<i>20.80</i>	<i>18.35</i>	<i>4.40</i>	<i>10.20</i>	<i>4.16</i>



A.6 Expenses Recognised in Other Comprehensive Income

(₹ in lakhs)

Sl.	Particulars	1	2	3	4	5	6	7	8
		Gratuity	Leave Encashment	Post Retirement Medical Benefits	Post Retirement Settlement Benefits	Employee Family Benefit Scheme	Retirement Gift	Long Service Award	LTC/LTA
1	Re-measurements due to changes in Demographic Assumptions	-	-	-	-	-	-	-	-
	<i>Re-measurements due to changes in Demographic Assumptions (Previous Year)</i>	-	-	-	-	-	-	-	-
2	Re-measurements due to changes in Financial Assumptions	(186.35)	(448.92)	(10.42)	(3.40)	(0.28)	(0.31)	(1.51)	(0.46)
	<i>Re-measurements due to changes in Financial Assumptions (Previous Year)</i>	(287.19)	(625.10)	(1.25)	(5.21)	(0.19)	(0.26)	(0.42)	(0.57)
3	Re-measurements due to changes in Experience Adjustments	(232.30)	2,852.14	98.35	(10.74)	8.36	(3.57)	(3.93)	(0.60)
	<i>Re-measurements due to changes in Experience Adjustments (Previous Year)</i>	(197.76)	1,184.22	84.52	(11.26)	53.14	3.14	3.43	9.15
4	Return on Plan Assets (excluding Interest Income)	32.35	-	-	-	-	-	-	-
	<i>Return on Plan Assets (excluding Interest Income) (Previous Year)</i>	17.06	-	-	-	-	-	-	-
	Expenses recognised in Other Comprehensive Income	(386.30)	2,403.22	87.93	(14.14)	8.08	(3.88)	(5.44)	(1.06)
	<i>Expenses recognised in Other Comprehensive Income (Previous Year)</i>	(467.89)	559.12	83.27	(16.47)	52.95	2.88	3.01	8.58

A.7 Actuarial Assumptions

(₹ in lakhs)

	2022-23	2021-22
1 Discount Rate (per annum)	7.37%	7.13%
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)	6.78% - 6.89%	6.75% - 7.37%
6 Salary Escalation (per annum)	17% on Basic Pay	17% on Basic Pay
	The estimate of future salary increase considered in actuarial valuation, takes into account inflation rate, seniority, promotion and other relevant factors.	

**A.8 Financial Assumptions Sensitivity Analysis**

(₹ in lakhs)

Sl. No.	Particulars	0.5 %age decrease in Discount Rate	0.5 %age increase in Discount Rate	0.5 %age decrease in Salary Rate	0.5 %age increase in Salary Rate
1	Gratuity	9,037.13	8,325.32	8,628.96	8,707.07
2	Leave Encashment	17,474.04	15,640.62	15,641.63	17,463.59
3	Post Retirement Settlement Benefits	170.87	169.42	-	-
4	Employee Family Benefit Scheme	271.51	262.77	-	-
5	Retirement Gift	36.49	32.72	-	-
6	Long Service Award	100.61	49.82	-	-
7	LTC/LTA	53.14	51.24	-	-

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	326.14	(320.15)
2	Increase/(decrease) on present value of post retirement medical benefit obligations as at 31st, March, 2023	385.42	(382.79)

A.10 Expected Cash Flows for the following years

(₹ in lakhs)

Period	Gratuity	Leave Encashment
Year 1	913.18	1,152.08
Year 2	809.74	1,067.29
Year 3	747.75	1,120.40
Year 4	769.94	1,215.07
Year 5	551.19	899.09
Year 6	519.52	853.61
Next 6 years	4,356.04	10,208.84

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	
	2022-23	2021-22
Expenses charged to Statement of Profit and Loss	1,955.67	1,745.80

B.3 Company's Contribution payable under the Defined Pension Contribution Scheme is ₹2,501.85 Lakhs as at 31st March, 2023.



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 Salil Kumar (upto 31.10.2022)	Chairman and Managing Director (Addl. Charge) & Director (Projects)
Shri Rajendra Harbhagwan Singh Juneja (upto 30.11.2022)	Director (Finance)
Shri Mukesh Kumar (w.e.f. 07.12.2022)	Director (Finance)
Shri Sanjay Kumar Verma	Director (Commercial)
Shri Arun Kumar Agrawal	Director (Technical)
Smt Rasika Chaube (upto 30.06.2022)	Government Director
Ms. Sukriti Likhi	Government Director
Dr. Sanjay Roy (w.e.f. 09.03.2023)	Government Director
Smt Manju Chandra (upto 20.10.2022)	Independent Director
Shri Ravi Bambha (upto 31.07.2022)	Company Secretary & Incharge (Board & Co-ordination)
Shri Sudesh Kumar Rathi (w.e.f. 06.08.2022)	Company Secretary & Incharge (Board & Co-ordination)
Shri U.K. Viswakarma	Executive Director & Incharge, Delhi Office
Shri S.K. Bhattacharjee	Executive Director
Shri Sanjay Kumar Sinha	Executive Director
Shri Neeraj Kumar	Executive Director
Dr. Manoranjan Biswas	Executive Director
Shri A.K. Bagchi (upto 26.12.2022)	Incharge, Nagarnar office
Shri Neeraj Kumar (w.e.f. 27.12.2022)	Incharge, Nagarnar office
Shri A.K. Nan (upto 22.08.2022)	Incharge, Bhilai office
Shri D. Chowdhuri (w.e.f. 25.08.2022)	Incharge, Bhilai office
Shri Arun Mondal	Incharge, Burnpur office
Shri Anil Kumar Jha	Incharge, Nalanda office
Shri G. Krishna Kumar	Incharge, Mumbai office
Ms. C. Roy (upto 30.04.2022)	Incharge, Kolkata office
Shri Amit Pal (w.e.f. 02.05.2022)	Incharge, Kolkata office
Shri P. Subba Rao (upto 27.08.2022)	Incharge, Vizag office
Shri C. Madhu (w.e.f. 29.08.2022)	Incharge, Vizag office
Shri Vijay Kumar Jegarkal (upto 31.10.2022)	Incharge, Hyderabad office
Shri Nemani Siva Kumar (w.e.f. 01.11.2022)	Incharge, Hyderabad office
Shri Ranjeet Kumar	Incharge, Bangalore office
Shri R.K. Panda (upto 31.07.2022)	Incharge, Bhubaneswar office
Shri Bijoy Ketan Parida (w.e.f. 29.08.2022)	Incharge, Bhubaneswar office
Shri Amitav Mishra	Incharge, Rourkela office
Shri Sanjay Sen (upto 30.11.2022)	Incharge, Bokaro office
Shri Dilip Kumar (w.e.f. 01.12.2022)	Incharge, Bokaro office
Shri Amit Pal	Incharge, Durgapur office
Shri Subrata Samanta	Incharge, Finance
Shri S.K. Bage	Incharge, CSR
Shri D Acharya	Incharge, Legal
Shri D Acharya	Incharge, CCES
Shri Sharat Chandra Choudhary	Incharge, Iron Making
Shri Mukesh Saini (upto 31.07.2022)	Incharge, Rolling Mills
Shri Pankaj Kumar (w.e.f. 01.08.2022)	Incharge, Rolling Mills



Name of the Related Party	Nature of Relationship
Shri D. Chowdhuri (upto 22.08.2022)	Incharge, Coal & Coke Oven
Shri P. Subbarao (w.e.f. 30.08.2022 to 13.10.2022)	Incharge, Coal & Coke Oven
Shri Utpal Kumar Dey (w.e.f. 14.10.2022)	Incharge, Coal & Coke Oven
Shri P.K. Behera (upto 19.10.2022)	Incharge, Steel Melting Shop
Shri Prasanjit Mukherjee (w.e.f. 20.10.2022)	Incharge, Steel Melting Shop
Shri A.K. Bairagi	Incharge, Power Plant & Electrical Engg
Shri S.Kumar (upto 16.05.2022)	Incharge, GMMB
Shri D.K. Khandekar (w.e.f. 17.05.2022)	Incharge, GMMB
Shri C. Mukhopadhyay (upto 31.01.2023)	Incharge, FS&PD
Ms. Laxmi Mahto (w.e.f. 08.02.2023)	Incharge, FS&PD
Shri Sanjay Kumar (upto 28.09.2022)	Incharge, Port & Material Handling
Shri Sanjoy Bhattacharya (w.e.f. 29.09.2022)	Incharge, Port & Material Handling
Shri K Karupiah (upto 31.01.2023)	Incharge, Electrical -CRT
Shri Bibhakar Jha (w.e.f. 06.02.2023)	Incharge, Electrical -CRT
Shri Kamal Kumar Srivastava (upto 06.10.2022)	Incharge, Electrical – D&C
Shri Shailesh Saxena (w.e.f. 07.10.2022)	Incharge, Electrical – D&C
Shri Ashok Pandey	Incharge, Electrical – Power
Shri Jayanta Sarkar	Incharge, Non-Ferrous & Mineral Projects
Shri Kumud Ranjan	Incharge, Metallurgical Wing
Shri Ghanshyam (upto 27.09.2022)	Incharge, GL&T
Md. Iqbal Ahmad (w.e.f. 28.09.2022)	Incharge, GL&T
Shri R.K. Bhattacharyya (upto 31.12.2022)	Incharge, R & D
Shri Manoj Kumar (w.e.f. 04.01.2023)	Incharge, R & D
Shri U.K. Mishra	Incharge, Management Advisory Services
Shri Sanjit Dash	Incharge, IT Services
Shri P.K. Das	Incharge, Marketing
Shri Neelesh Binay Sokey	Incharge, Contracts
Shri K.T. Durai	Incharge, Human Resources
Ms. Asha Wazir Biswas	Incharge, Corporate Management Services
Shri Rajeev Kumar Chaudhary	Incharge, TA&CD
Shri Amitava Das Gupta	Incharge, Internal Audit
Ms. M M Dasgupta	Incharge, Technical Services of CMD office
Shri J.K. Jha (upto 10.10.2022)	Incharge, Civil & Architecture
Shri Amrendra Kumar Singh (w.e.f. 11.10.2022)	Incharge, Civil & Architecture
Shri R Shanmugananda Raman (upto 27.09.2022)	Incharge, Structural
Shri Arijit Nath (w.e.f. 28.09.2022)	Incharge, Structural
Shri Athi Rajasekharan	Incharge, Environment Engineering
Dr. Ravindra Agrawal	Incharge, Inspection & Quality Assurance
Shri Vinay Kumar Jha	Incharge, NMDC Project
Shri Joydeep Dasgupta	Incharge, SAIL Projects
Shri Joydeep Dasgupta	Incharge, Project Planning & Monitoring
Shri R.N. Lal (upto 31.12.2022)	Incharge, Infrastructure - Jharkhand
Shri Anil Kumar Jha (w.e.f. 07.01.2023)	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 Particulars	M/s. Metallurgical & Engineering Consultants (Nigeria) Limited	
		2022-23	2021-22
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 Particulars	Board of Trustees, MECON Employees' Provident Fund and Gratuity Fund	
		2022-23	2021-22
1.	Transaction during the period	2,343.75	2,765.56
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	2022-23	2021-22
1.	Short-Term Employee Benefits	2,108.20	1,925.11
2.	Post Employment Benefits	435.85	1,082.08
3.	Other Long-Term Benefits	257.31	1,113.95
4.	Termination Benefits	---	---
5.	Share-based Payment	---	---
6.	Sitting fees	1.85	4.24
7.	Outstanding Balances as at the end of the period	NIL	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



Sl.No.	Government-related Entities	Relationship
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.	Oil India Limited	Central Public Sector Enterprise
16.	Oil & Natural Gas Corporation Limited	Central Public Sector Enterprise
17.	Rashtriya Ispat Nigam Limited	Central Public Sector Enterprise
18.	Steel Authority of India Limited	Central Public Sector Enterprise
19.	Uranium Corporation of India Limited	Central Public Sector Enterprise
20.	Coal India Limited	Central Public Sector Enterprise
21.	Eastern Coalfields Limited	Central Public Sector Enterprise
22.	Mahanadi Coalfields Limited	Central Public Sector Enterprise
23.	Nuclear Power Corporation of India Limited	Central Public Sector Enterprise
24.	NMDC Steel Limited	Central Public Sector Enterprise
25.	Ministry of Steel	Administrative Ministry

b) Transactions with Government-related Entities :

(₹ in lakhs)

Sl.No.	Name of the Entity	Nature of Transaction	2022-23	2021-22
	Rendering of Services:			
1.	Bharat Electronics Limited	Revenue	178.83	721.80
2.	Bharat Petroleum Corporation Limited	Revenue	(-) 3.72	88.56
3.	Central Coalfields Limited	Revenue	41.28	136.43
4.	GAIL (India) Limited	Revenue	3,144.69	6,835.49
5.	GAIL (India) Limited	Estate Income	200.27	247.21
6.	Hindustan Copper Limited	Revenue	27.40	104.47
7.	Hindustan Petroleum Corporation Limited	Revenue	1,529.98	1,357.35
8.	Indian Oil Corporation Limited	Revenue	259.61	284.49
9.	KIOCL Limited	Revenue	160.05	87.62
10.	Mangalore Refinery & Petrochemicals Limited	Revenue	2.66	87.12
11.	National Aluminium Company Limited	Revenue	4,883.50	1,919.34
12.	NMDC Limited	Revenue	1,682.59	3,494.72
13.	NMDC Steel Limited	Revenue	11,603.58	-
14.	Oil India Limited	Revenue	19.33	199.26
15.	Oil & Natural Gas Corporation Limited	Revenue	18.37	7.20
16.	Rashtriya Ispat Nigam Limited	Revenue	139.16	429.21
17.	Steel Authority of India Limited	Revenue	21,195.52	11,896.61
18.	Steel Authority of India Limited	Sharing of Common Expenses	717.64	663.05
19.	Uranium Corporation of India Limited	Revenue	778.38	538.24
20.	Eastern Coalfields Limited	Revenue	3,532.66	458.88
21.	Mahanadi Coalfields Limited	Revenue	3,660.55	734.54



(₹ in lakhs)

Sl.No.	Name of the Entity	Nature of Transaction	2022-23	2021-22
Rendering of Services:				
22.	Ministry of Steel	Revenue	314.55	-
23.	Others	Revenue / Others	92.73	77.19
Receiving of Services:				
1.	Rashtriya Ispat Nigam Limited	Procure. of Materials	-	874.75
2.	Steel Authority of India Limited	Procure. of Materials / Estate Charges	57.58	-
3.	Bharat Sanchar Nigam Limited	Tele. Charges	42.31	39.08
4.	RailTel Corporation of India Limited	Internet Leased Line Charges	51.83	-
5.	Others	Tele. / Consulting / Estate Charges, etc.	64.73	82.77
Amount Receivable:				
1.	Bharat Electronics Limited	Trade Receivable	493.68	1,023.52 [^]
2.	Bharat Petroleum Corporation Limited	Trade Receivable	214.96	214.96 [^]
3.	Burn Standard Company Limited	Trade Receivable	64.44	64.44
4.	Coal India Limited	Deposits Receivable	100.00	100.00
5.	Central Coalfields Limited	Trade Receivable	213.62	164.91 [^]
6.	GAIL (India) Limited	Deposits Receivable	61.47	61.47
7.	GAIL (India) Limited	Trade Receivable	6,785.08	8,922.65 [^]
8.	Hindustan Petroleum Corporation Limited	Trade Receivable	2,067.66	1,323.31 [^]
9.	Indian Oil Corporation Limited	Trade Receivable	257.76	309.54 [^]
10.	KIOCL Limited	Trade Receivable	47.98	37.57 [^]
11.	Mangalore Refinery & Petrochemicals Limited	Trade Receivable	177.16	198.30 [^]
12.	National Aluminium Company Limited	Trade Receivable	2,341.95	849.74 [^]
13.	NLC India Limited	Trade Receivable	797.35	789.14 [^]
14.	NMDC Limited	Trade Receivable	990.26	3,749.94 [^]
15.	NMDC Steel Limited	Trade Receivable	1,933.45	-
16.	Oil India Limited	Trade Receivable	152.45	196.63 [^]
17.	Oil & Natural Gas Corporation Limited	Trade Receivable	180.22	166.60 [^]
18.	Rashtriya Ispat Nigam Limited	Trade Receivable	2,755.20	2,942.17 [^]
19.	Steel Authority of India Limited	Trade Receivable	13,618.84	14,779.45 [^]
20.	Steel Authority of India Limited	Deposits Receivable	378.77	378.77
21.	Uranium Corporation of India Limited	Trade Receivable	3,035.81	3,169.10 [^]
22.	Eastern Coalfields Limited	Trade Receivable	1,295.72	164.94 [^]
23.	Eastern Coalfields Limited	Deposits Receivable	150.31	-
24.	Hindustan Copper Limited	Trade Receivable	55.86	76.29 [^]
25.	Mahanadi Coalfields Limited	Trade Receivable	2,786.48	852.48 [^]
26.	Mahanadi Coalfields Limited	Deposits Receivable	307.99	-
27.	Ministry of Steel	Trade Receivable	371.17	-
28.	Nuclear Power Corporation of India Limited	Trade Receivable	78.23	40.09 [^]
29.	Others	Trade Receivable / Deposits Receivable	116.32	231.01 [^]

[^]Restated

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	50 (50)	3.41 (3.41)	313.36 (313.36)	11.76 (11.76)	46.14 (46.14)	NIL (NIL)	NIL (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	2022-23	2021-22
a)	Net Profit / (Loss) for the period attributable to Equity Shareholders (₹ in lakhs)	3,100.93	1,369.85
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 ₹)	7.73	3.41
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 Particulars		METALS		ENERGY		INFRASTRUCTURE		TOTAL	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
I.	SEGMENT REVENUE								
a.	Segment Revenue from External Customers	48,109.66	24,456.78	15,843.55	18,814.89	21,543.51	15,395.45	85,496.72	58,667.12
b.	Intersegment Revenues	-	-	-	-	-	-	-	-
c.	Other Operating Revenue	2,510.40	1,315.86	262.99	209.90	675.81	283.41	3,449.20	1,809.17
	REVENUE FROM OPERATIONS	50,620.06	25,772.64	16,106.54	19,024.79	22,219.32	15,678.86	88,945.92	60,476.29
a.	Unallocated Interest and Other Income	-	-	-	-	-	-	5,648.37	3,644.77
II.	TOTAL INCOME	50,620.06	25,772.64	16,106.54	19,024.79	22,219.32	15,678.86	94,594.29	64,121.06
III.	SEGMENT RESULTS [Profit/(Loss)]	(3,029.26)	(4,340.66)	(101.10)	3,955.48	(307.74)	(604.78)	(3,438.10)	(989.96)
a.	Interest Income	-	-	-	-	-	-	2,730.27	2,227.42
b.	Non Operating Income	-	-	-	-	-	-	2,918.10	1,417.35
c.	Finance Costs	-	-	-	-	-	-	221.44	151.37
d.	Non Operating Loss	-	-	-	-	-	-	1.65	0.66
e.	Accretion / (Decretion) to Jobs-in-Progress	-	-	-	-	-	-	(687.14)	(549.13)
f.	Disposal of Investments							2,100.76	-
IV.	PROFIT/(LOSS) BEFORE TAX	-	-	-	-	-	-	3,400.80	1,953.66
	Income Taxes	-	-	-	-	-	-	299.87	583.81
V.	PROFIT/(LOSS) AFTER TAX	-	-	-	-	-	-	3,100.93	1,369.85
VI.	OTHER INFORMATION								
a.	Segment Assets	32,849.53	42,441.63	19,425.93	21,913.90	14,820.69	12,805.99	67,096.15	77,161.52
b.	Unallocated Corporate Assets	-	-	-	-	-	-	77,575.74	67,993.00
c.	Total Assets	-	-	-	-	-	-	1,44,671.89	1,45,154.52
d.	Segment Liabilities	42,652.60	51,719.37	21,129.75	17,879.20	26,577.97	29,127.88	90,360.32	98,726.45
e.	Unallocated Corporate Liabilities	-	-	-	-	-	-	14,867.52	8,135.52
f.	Total Liabilities	-	-	-	-	-	-	1,05,227.84	1,06,861.97
g.	Depreciation & Amortisation	386.41	387.57	279.25	213.99	80.32	88.92	745.98	690.48
h.	Non-Cash Expenses other than Depreciation	2,960.71	560.55	1,689.43	1,559.19	856.83	650.22	5,506.97	2,769.96
i.	Capital Employed	-	-	-	-	-	-	27,636.22	21,384.74



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 2022-23 (Upto 31st March, 2023), ₹33,945.53 lakhs (Previous Year ₹11,739.83 lakhs) of Company's revenues, each exceeding 10% in the "Metals" Segment, are derived from 2 (two) (Previous Year 1 (one)) external customers.

During the year 2022-23 (Upto 31st March, 2023), ₹58.82 lakhs (Previous Year ₹6,844.85 lakhs) of Company's revenues, each exceeding 10% in the "Energy" Segment, are derived from 1 (one) (Previous Year 2 (two)) external customers.

During the year 2022-23 (Upto 31st March, 2023), ₹477.34 lakhs (Previous Year ₹147.41 lakhs) of Company's revenues, each exceeding 10% in the "Infrastructure" Segment, are derived from 2 (two) (Previous Year 2 (two)) external customers.

42.14 DISCLOSURE AS PER IND AS-115 "REVENUE FROM CONTRACTS WITH CUSTOMERS"

a) Disaggregation of revenue into operating segments and geographical areas:

As at 31st March, 2023

(₹ in lakhs)

Segment	Revenue as per Ind AS 115			Other Operating Revenue	Total as per Profit & Loss/Segment Reporting
	Domestic	Foreign	Total		
Metals	48,089.60	20.06	48,109.66	2,510.40	50,620.06
Energy	15,795.98	47.57	15,843.55	262.99	16,106.54
Infrastructure	21,543.51	-	21,543.51	675.81	22,219.32
Total	85,429.09	67.63	85,496.72	3,449.20	88,945.92

As at 31st March, 2022

(₹ in lakhs)

Segment	Revenue as per Ind AS 115			Other Operating Revenue ^	Total as per Profit & Loss / Segment Reporting ^
	Domestic	Foreign	Total		
Metals	24,248.53	208.25	24,456.78	1,315.86	25,772.64
Energy	18,562.75	252.14	18,814.89	209.90	19,024.79
Infrastructure	15,395.45	-	15,395.45	283.41	15,678.86
TOTAL	58,206.73	460.39	58,667.12	1,809.17	60,476.29

^Restated

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 st March 2023	As at 31 st March 2022
Contract Assets – Unbilled Revenue	2,826.67	496.65
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)	2,958.73	3,868.24



- c) During the year 2022-23, an amount of ₹131.16 lakhs (Previous Year ₹224.84 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 01st April 2023 is ₹3,58,296.86 lakhs (Previous Year ₹4,97,724.68 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 2022-23**

(₹ in lakhs)

Description	Amount
Contracted Price #	80,222.25
Add: Net impact on account of Invoices Raised but Income not accrued during FY 2022.23 due to Variable Considerations, Down Payment Invoices and other reasons	2,944.45
Add: Additions due to unbilled revenue	2,826.67
Less: Unbilled revenue accrued during FY 2021-22 but invoices raised during FY 2022-23	496.65
Revenue recognized as per Ind AS 115 during FY 2022-23	85,496.72

Contracted Price refers to value of Invoices raised during FY 2022-23 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 Procurement Services and Deposit Works towards fees as well as corresponding expenses incurred upto 31.03.2021. However, from 01.04.2021, the revenue against Procurement Services and Deposit Works from UCIL jobs has been recognized to the extent of fees only.

42.16 In line with Ind AS 116 "Leases", the Company as a lessee recognizes Right-of-Use Asset and corresponding Lease Liability as a measure of the present value of remaining lease payments except for leases with a term of twelve months or less (short-term leases). For these short-term leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The Company has taken certain offices, residential premises, etc. on leases which are cancellable by giving appropriate notices as per respective agreements. During the year 2022-23, an amount of ₹355.43 lakhs (Previous Year ₹410.37 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 year 2022-23, an amount of ₹263.42 lakhs (Previous Year ₹364.58 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 31st March, 2023 as per Ind AS- 36.

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

Sl. No.	Particulars	As at 31.03.2023	As at 31.03.2022
(a)	Amount remaining unpaid to any supplier:		
	- Principal Amount, remaining		
	• unpaid due but not payable on reporting date	8,665.91	3,192.30
	• due and payable	788.68	948.88
	- Interest due on Principal Amount, remaining unpaid	----	----
(b)	Amount of interest paid in terms of Section 16 of the MSMED Act along with the amount paid to the suppliers beyond appointed day during the year	----	----
(c)	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	----	----
(d)	Amount of interest accrued and remaining unpaid at the end of the year	----	----
(e)	Amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act.	----	----

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

42.20 Wage revision is due for non-executive employees w.e.f. 01.01.2017. During the year 2022-23 provision has been made for ₹219.77 lakhs (cumulative provision ₹759.07 lakhs) (Previous Year ₹268.53 lakhs (cumulative provision ₹539.30 lakhs)) towards wage revision in respect of non-executive employees, based on estimate and information as available, etc.

42.21 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.

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

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

42.23 Financial Instruments:

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

a) Risk Management

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

Credit Risk

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

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

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



i) Credit risk management

Cash and cash equivalent

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

Trade Receivables

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

Other financial assets

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

ii) Expected credit losses

Company provides expected credit losses based on the following:

Trade Receivables

The Company recognizes lifetime expected credit losses on Trade Receivables using a simplified approach and uses historical information to arrive at loss percentage relevant to each category of trade receivables:

(₹ in lakhs)

Ageing As at 31 st March, 2023	0-6 months	6-12 months	12-24 months	24-36 months	More than 36 months	Total
Gross carrying amount	25,744.62	4,491.83	7,499.35	3,446.68	25,845.98	67,028.46
Expected credit loss / provision/ Other Liabilities	812.78	1,381.20	1,029.00	1,039.04	25,645.98	29,908.00
Carrying amount of trade receivables (Net of impairment)	24,931.84	3,110.63	6,470.35	2,407.64	200.00	37,120.46

(₹ in lakhs)

Ageing As at 31 st March, 2022	0-6 months	6-12 months	12-24 months	24-36 months	More than 36 months	Total
Gross carrying amount ^	24,170.75	6,708.57	4,821.60	6,311.25	22,547.54	64,559.71
Expected credit loss / provision/ Other Liabilities ^	1,282.67	999.87	551.31	1,059.66	22,308.93	26,202.44
Carrying amount of trade receivables (Net of impairment) ^	22,888.08	5,708.70	4,270.29	5,251.59	238.61	38,357.27

Reconciliation of Expected Credit Loss / Provision /Other Liabilities against Trade Receivables

(₹ in lakhs)

Particulars	Amount
As at 31 st March, 2022 [^]	26,202.44
Changes in Expected Credit Loss / Provision /Other Liabilities	3,705.56
As at 31 st March, 2023	29,908.00

[^] Restated

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 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Financial Assets						
Investments	--	--	--	--	11.92	11.92
Trade Receivables	--	--	--	--	37,120.46	38,357.27 ^
Loans	--	--	--	--	881.54	657.76
Cash & Cash Equivalents	--	--	--	--	15,463.11	18,265.29
Other Bank Balances	--	--	--	--	48,786.80	51,274.08
Other Financial Assets	--	--	--	--	9,565.95	7,616.47
TOTAL	--	--	--	--	1,11,829.78	1,16,182.79
Financial Liabilities	--	--				
Borrowings	--	--	--	--	--	--
Trade Payables	--	--	--	--	26,057.03	19,277.08
Other Financial Liabilities	--	--	--	--	25,444.08	29,370.27 ^
TOTAL	--	--	--	--	51,501.11	48,647.35

^ Restated

42.24 Fair Value Measurements

a) Fair Value Hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1: Inputs are quoted prices (unadjusted) in active markets for financial instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability

b) Financial Instruments measured at fair value – recurring fair value measurements

(₹ in lakhs)

Particulars	Level 1		Level 2		Level 3		Total	
	As at 31.03.23	As at 31.03.22	As at 31.03.23	As at 31.03.22	As at 31.03.23	As at 31.03.22	As at 31.03.23	As at 31.03.22
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.

42.25 Undisclosed Income: There has been no such instances of transactions which were not recorded in the books of accounts of the Company that has been surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961.



42.26 Additional Regulatory Information

a) Title deeds of immovable properties not held in name of the company

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (Rs. In Lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the Company
Property, Plant and Equipment	(i) 10.25 acres of Land for Administrative Building at H.O., Ranchi	2.69	Govt. of Jharkhand	No	25.10.1962	Deed of conveyance is pending for execution by the Govt. of Jharkhand.
	(ii) Office Space / Building at SCOPE Minar, Laxmi Nagar, New Delhi (13th & 15th Floor)	1,193.30	SCOPE	No	23.12.2004	The office building at Scope Minar, Delhi has been acquired on contribution basis without ownership.

b) Considering the nature of Company's business, no investment property is held by the Company. Further, the items of Property, Plant and Equipments (including Right-of-Use Assets) and Intangible Assets are recognised at cost. As such, valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017 is not required.

c) Loans or advances to specified persons that are repayable on demand; or without specifying any terms or period of repayment

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoter	NIL	NIL
Directors	NIL	NIL
KMPs	NIL	NIL
Related Parties	NIL	NIL

d) Capital Work-In-Progress (CWIP) Ageing Schedule (₹ in lakhs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1 – 2 years	2 – 3 years	More than 3 years	
Projects in progress	928.20	672.58	----	----	1,600.78
Projects temporarily suspended	----	----	----	----	----



- e) Capital Work-In-Progress (CWIP) Completion Schedule for projects whose completion is overdue or has exceeded its cost compared to its original plan (₹ in lakhs)

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress				
Cables for Installation of Energy Meter, etc. at Township, Ranchi, Jharkhand	----	41.19	----	----
Construction of Security Post at Township, Ranchi, Jharkhand	24.54	----	----	----
Installation of ERP	586.36	479.63	----	----
Upgradation of Office Building at Mumbai	11.61	----	----	----
Projects temporarily suspended	----	----	----	----

- f) Intangible assets under development Ageing Schedule (₹ in lakhs)

Intangible assets under development	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1 – 2 years	2 – 3 years	More than 3 years	
Projects in progress	----	----	----	----	----
Projects temporarily suspended	----	----	----	----	----

- g) Intangible assets under development Completion Schedule for projects whose completion is overdue or has exceeded its cost compared to its original plan (₹ in lakhs)

Intangible assets under development	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	----	----	----	----
Projects temporarily suspended	----	----	----	----

- h) No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the rules made thereunder.
- i) The Company has availed bank overdraft facilities from banks on the basis of security of fixed deposits with the respective banks which are in agreement with the books of accounts of the Company.
- j) The Company is not a declared illful defaulter by any bank or financial institution or other lender.



k) Relationship with Struck off Companies (₹ in lakhs)

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off company, if any, to be disclosed
NICCO POWER PROJECTS PRIVATE LIMITED	Payables	26.30	Vendor
PYROTECH ELECTRONICS PRIVATE LIMITED	Payables	0.10	Vendor
BURN STANDARD COMPANY LIMITED	Receivables	64.44	Client
THE WEST BENGAL POWER DEVELOPMENT CORPORATION LIMITED	Receivables	1.88	Client
ZOOM DEVELOPERS PRIVATE LIMITED	Receivables	10.47	Client
SAIL & MOIL FERRO ALLOYS PRIVATE LIMITED	Receivables	0.06	Client

l) Registration of charges or satisfaction with Registrar of Companies (ROC): There are no pending charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.

m) Compliance with number of layers of companies: Companies (Restriction on number of Layers) Rules, 2017 is not applicable to the Company.

n) Compliance with approved Scheme(s) of Arrangements: The Company does not have any approved Scheme(s) of Arrangements.

o) Utilisation of Borrowed funds and share premium: The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities. Also, the Company has not received any fund from any person(s) or entity(ies) including foreign entities (Funding Party).

p) Disclosure of Ratios (₹ in lakhs)

Sl. No.	Particulars	Numerator	Denominator	Current Year	Previous Year	%age change over previous year	Reason for change by more than 25%
1.	Current ratio	Current Assets	Current Liabilities	1.72	1.68 ^	2.38%	----
2.	Debt – Equity Ratio	Total Debt	Shareholder's Equity	NIL	NIL	----	----
3.	Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	NIL	NIL	----	----
4.	Return on Equity	Net Profit after taxes – Preference Dividend (if any)	Average Shareholder's Equity	0.08	0.04	100%	Increase in PAT
5.	Inventory Turnover Ratio	Considering the nature of the business of the Company, being engineering, consultancy and contracting organisation, inventories carried are entirely for in-house consumption. Hence, inventory turnover ratio is not computed					
6.	Trade Receivables Turnover ratio	Turnover	Average Trade Receivables	2.27	1.44 ^	57.64%	Increase in Turnover
7.	Trade Payables Turnover ratio	Total Purchases	Average Trade Payables	1.99	0.98	103.06%	Increase in Purchases
8.	Net Capital Turnover ratio	Turnover	Working Capital	1.69	1.18 ^	43.22%	Increase in Turnover
9.	Net Profit ratio	Profit After Tax	Turnover	0.04	0.02	100%	Increase in PAT
10.	Return on Capital Employed	Profit Before Interest & Taxes	Capital Employed	0.13	0.10 ^	30%	Increase in PBT
11.	Return on investment	Not Applicable, as the Company do not have any investments in any listed or tradable securities.					

^ Restated

Note: Ratios presented above have been truncated to two places of decimal. Further, reason for changes over previous year has been mentioned in cases where there has been any change in the ratio by more than 25%.



42.27 Disclosure on Corporate Social Responsibility (CSR)

(₹ in lakhs)

Particulars	2022-23	2021-22
Shortfall brought forward from last year	193.35	265.81
Add : Amount required to be spent by the Company during the year and allocation of fund	83.75	77.38
Less : Amount spent during the year on:		
a) CSR Projects / Programs, etc.	44.66	101.84
b) Others (including contribution to PM Cares Fund)	16.79	48.00
Total Amount Spent #	61.45	149.84
Shortfall at the end of the year ##	215.65	193.35
# a) Amount of expenditure incurred out of the amount required to be spent by the Company during the year	4.09	43.29
## a) Shortfall at the end of the year out of the amount required to be spent by the Company during the year	79.66	34.09
b) Total of previous years shortfall	135.99	159.26
Add : Surplus not forming part of business profit	7.40	--
Balance available for CSR Activities at the close of the year	223.05	193.35
Reason for shortfall	Several CSR Projects / Programs could not be taken up due to delay in issue of work order, work under process, non-submission of invoices by contractors, bills processing pending due to insufficient documents, etc.	
Nature of CSR Activities	Nutrition, Healthcare, Education, Skill Development & Livelihood	
Details of related party transactions in relation to CSR Expenditure as per relevant Accounting Standard	NIL	
Movements in the provision during the year where a provision is made with respect to a liability incurred by entering into a contractual obligation	NIL	

42.28 The Company has not traded or invested in Crypto-currency or Virtual currency during the financial year 2022-23.

42.29 Pursuant to the completion of Strategic Disinvestment process of Neelachal Ispat Nigam Limited (NINL), wherein the Company had equity investment of ₹500 lakhs, out of the Company’s share of Gross Sales Consideration of ₹3,198.32 lakhs, the Company has received ₹2,538.69 lakhs (net of taxes of ₹3.20 lakhs) on 04.07.2022.

The balance sale proceeds of ₹656.43 lakhs (MECON’s share out of ₹911.17 crores) have been kept in an interest bearing Escrow Account towards Tax / Non-Tax liabilities (Govt. dues of NINL), which shall be passed on to Sellers in the ratio of their stake-holding, if the claim against these dues have not been paid till the end of retention period (2 years for Non-Tax liabilities & 3 years for Tax liabilities). Out of ₹656.43 lakhs, an amount of ₹58.87 lakhs has been realized on 25.04.2023 and ₹0.90 lakhs shall be paid to the relevant governmental authorities by NINL. Further as this event is based on probable future outcome, the revenue for the same has not been recognized and balance deferred amount have been treated as Contingent Asset which amounts to ₹596.66 lakhs as on 31.03.2023.

Consequently, the Company has recognized Profit on Sale of Investment in NINL amounting to ₹2,100.76 lakhs and disclosed as Exceptional Item in the Statement of Profit and Loss for the F.Y. 2022-23.



- 42.30** In accordance with Ind AS 1, 'Presentation of Financial Statements', the Company has reclassified items, having material effect, in its Financial Statements, for proper disclosure of Trade Receivables along with corresponding Provisions / Other Liabilities as stated below:-

Reconciliation of reclassified items of Balance Sheet as at 31st March, 2022 and 01st April, 2021:-
(₹ in lakhs)

Particulars	Note No.	As at 31 st March, 2022			As at 01 st April, 2021		
		As previously reported	Re-classification	As at 31 st March, 2022	As previously reported	Re-classification	As at 01 st April, 2021
ASSETS							
Non-Current Trade Receivables	7	19,017.39	(19,017.39)	-	19,260.08	(19,260.08)	-
Current Trade Receivables	14	25,915.99	12,441.28	38,357.27	29,951.90	12,920.16	42,872.06
Other Current Assets	20	10,413.88	(5,512.82)	4,901.06	8,998.27	(5,311.35)	3,686.92
Net Increase/ (Decrease)		55,347.26	(12,088.93)	43,258.33	58,210.25	(11,651.27)	46,558.98
LIABILITIES							
Non-Current Provisions	25	25,660.05	(2,189.95)	23,470.10	25,916.61	(1,631.72)	24,284.89
Other Financial Liabilities (Current)	29	36,117.97	(9,478.38)	26,639.59	35,875.23	(9,335.18)	26,540.05
Current Provisions	31	9,695.50	(420.60)	9,274.90	8,191.45	(684.37)	7,507.08
Net Increase/ (Decrease)		71,473.52	(12,088.93)	59,384.59	69,983.29	(11,651.27)	58,332.02

- 42.31** 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.
- 42.32** The Ministry of Corporate Affairs (MCA) vide its notification dated March 31, 2023, has notified the Companies (Indian Accounting Standards) Amendment Rules, 2023. These amended provisions shall be applicable from annual reporting periods beginning on or after 1st April, 2023 and comprise following amendments:-

Amendment in Ind AS 101: First-time Adoption of Indian Accounting Standards

In Appendix B, a new paragraph B14 has been inserted which states that:

Paragraphs 15 and 24 of Ind AS 12, Income Taxes exempt an entity from recognizing a deferred tax asset or liability in particular circumstances. Despite this exemption, at the date of transition to Ind ASs, a first-time adopter shall recognize a deferred tax asset, to the extent it is possible that taxable profit will be available against which the deductible temporary difference can be utilized. The Company does not expect the amendment to have any significant impact in its financial statements.

Amendment in Ind AS 12: Income Taxes

Para 15:

A deferred tax liability shall be recognized for all taxable temporary differences, except to the extent that the deferred tax liability arises from: the initial recognition of an asset or liability in a transaction which at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.



An entity applying Deferred Tax related to Assets and Liabilities arising from a single transaction shall also, at the beginning of the earliest comparative period presented:

- recognize a deferred tax asset to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.
- recognize a deferred tax liability for all deductible and taxable temporary differences associated with: right-of-use assets and lease liabilities; and

decommissioning, restoration and similar liabilities and the corresponding amounts recognized as part of the cost of the related asset; and

- recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.
- The Company does not expect the amendment to have any significant impact in its financial statements.

Amendment in Ind AS 103: Business Combination

Para 13 of Appendix C states the disclosure requirements under Ind AS 103. Clause (b) states that the disclosure of the date on which the transferor obtains control of the transferee shall be made. This has been substituted with “the date on which the transferee obtains control of the transferor.” The Company does not expect the amendment to have any significant impact in its financial statements.

Amendments in Ind AS 107: Financial Instruments Disclosures

Addition to para 21 has been made which says that “Information about the measurement basis for financial instruments used in preparing the financial statements is material accounting policy information and is to be disclosed.” The Company shall assess and thereafter if required, shall make additional disclosure with respect to such amendment in its financial statements.

Amendment in Ind AS 1: Presentation of Financial Statements

Paragraph 10 which states the complete set of Financial Statements, in item (e), for the words “significant accounting policies”, the words “material accounting policy information”, shall be substituted.

Para 117 (Disclosure of Accounting Policy Information) is substituted with; “An entity shall disclose material accounting policy information. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.”

Para 117A to 117E is added to explain the materiality of accounting information. The crux of the provision is as follows:

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed.
- If an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.
- An entity’s conclusion that accounting policy information is immaterial does not affect the related disclosure requirements set out in other Ind ASs.

The Company shall assess and thereafter if required, shall make additional disclosure with respect to such amendment in its financial statements.



FORM AOC-I

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Joint Venture		M/s Metallurgical & Engineering Consultants (Nigeria) Limited
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
	Extend 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 K. PANDEYA & CO.
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Sd/-
(MANJEET KUMAR VERMA)
PARTNER
Memb.No.075926
Firm Regn. No.000135C

Sd/-
(MUKESH KUMAR)
DIRECTOR (FINANCE)
DIN: 08778135

Sd/-
(SANJAY KUMAR VERMA)
DIRECTOR (COMMERCIAL) &
DIRECTOR (TECHNICAL) - Additional Charge
DIN: 08600373

Place : Ranchi
Dated : 27.06.2023
UDIN: 23075926BGPYSO1560

Sd/-
(SUDESH KUMAR RATHI)
COMPANY SECRETARY
M. No.: A69923

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



MECON participated in 'International Symposium on Entrepreneurship in Digital Era' organised by BIT Sindri. Shri SK Verma, Director(C), while addressing the gathering, talked about National Steel Policy, Role of core sectors, innovation and start-ups in Nation Building.



Shri Nagendra Nath Sinha, IAS, Secretary to GOI, Ministry of Steel, visited MECON and interacted with senior officials of MECON. He also inaugurated CCTV Surveillance System in MECON's Shyamali Colony.



MECON participated in "India Steel 2023" at Mumbai and showcased its capabilities and areas of expertise. Hon'ble Shri Faggan Singh Kulaste inaugurated MECON's Stall. Shri A.K. Agrawal, D(T) and other senior officials of MECON, attended various Round Table Interactions.



MECON participated in CORCON 2022 exhibition at Udaipur and showcased, range of services offered & areas of expertise. MECON stall was inaugurated by the Chief Guest, Shri Sanjaya Singhal.



मेकॉन लिमिटेड

(भारत सरकार का संस्थान)

MECON LIMITED

(A Govt. of India Enterprise)



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