



वार्षिक प्रतिवेदन Annual Report 2023-24



फेरो स्क्रेप निगम लिमिटेड

(भारत सरकार का उपक्रम)

45वा वार्षिक प्रतिवेदन

Ferro Scrap Nigam Limited

(A Government of India Undertaking)

45th Annual Report

एफ एस एन एल भवन का आलोक सज्जा



श्री मनोबेंद्र घोषाल

अध्यक्ष एवं प्रबंध निदेशक (01.01.2024 से)

Shri Manobendra Ghoshal

Chairman & Managing Director (w.e.f. 01.01.2024)



श्री सुरेन्द्र कुमार गुप्ता

अध्यक्ष एवं प्रबंध निदेशक (03.05.2021 से 31.12.2023 तक)

Shri Surendra Kumar Gupta

Chairman & Managing Director (from 03.05.2021 to 31.12.2023)



श्रीमती भानु कुमार

नामांकित निदेशक एमएसटीसी (01.12.2018 से)

Smt. Bhanu Kumar

Nominee Director MSTC (w.e.f. 01.12.2018)



श्री आद्या प्रसाद पांडे

स्वतंत्र निदेशक (18.04.2022 से)

Shri Adya Prasad Pandey

Independent Director (w.e.f. 18.04.2022)



श्री अश्विनी कुमार

सरकारी निदेशक (09.02.2024 से)

Shri Ashwani Kumar

Government Director (w.e.f. 09.02.2024)



श्री अरुण कुमार कैलू

सरकारी निदेशक (02.07.2020 से 01.02.2024 तक)

Shri Arun Kumar Kailoo

Government Director (from 02.07.2020 to 01.02.2024)



श्री निशांत अग्रवाल

कंपनी सचिव (27.02.2024 से)

Shri Nishant Agrawal

Company Secretary (w.e.f. 27.02.2024)



श्री अशोक मिश्रा

कंपनी सचिव (17.01.2017 से 26.02.2024 तक)

Shri Ashok Mishra

Company Secretary (from 17.01.2017 to 26.02.2024)



श्री सुमित कुमार राय

मुख्य वित्तीय अधिकारी (18.05.2023 से)

Shri Sumit Kumar Roy

Chief Financial Officer (w.e.f. 18.05.2023)



श्री सतदल मित्रा

मुख्य वित्तीय अधिकारी (15.05.2017 से 30.04.2023 तक)

Shri Satadal Mitra

Chief Financial Officer (from 15.05.2017 to 30.04.2023)

पंजीकृत कार्यालय : एफ.एस.एन.एल भवन, इक्विपमेन्ट चौक, सेंट्रल एवेन्यू, पोस्ट बॉक्स नं. 37, भिलाई (छ.ग.)

फोन: (0788) 222-2474/2475, फैक्स: (0788) 222-0423/3884

Registered Office : F.S.N.L. Bhawan, Equipment Chowk, Central Avenue, Post Box No. 37, Bhilai (C.G.)

Phone : (0788) 222-2474/2475, Fax : (0788) 222-0423/3884

E-mail : fsnl.co@gov.in Visit us at : www.fsnl.nic.in



फेरो स्क्रैप निगम लिमिटेड
(भारत सरकार का उपक्रम)
FERRO SCRAP NIGAM LIMITED
(A Government of India Undertaking)

45 वा वार्षिक प्रतिवेदन
th Annual Report
2023-2024

विषय सूची

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BOARD OF DIRECTORS

श्री मनोबेंद्र घोषाल

अध्यक्ष एवं प्रबंध निदेशक (०१.०१.२०२४ से)

Shri Manobendra Ghoshal

Chairman & Managing Director (w.e.f. 01.01.2024)

श्री सुरेन्द्र कुमार गुप्ता

अध्यक्ष एवं प्रबंध निदेशक (03.05.2021 से 31.12.2023 तक)

Shri Surendra Kumar Gupta

Chairman & Managing Director (from 03.05.2021 to 31.12.2023)

श्रीमती भानु कुमार

नामांकित निदेशक एमएसटीसी (01.12.2018 से)

Smt. Bhanu Kumar

Nominee Director MSTC (w.e.f. 01.12.2018)

श्री आद्या प्रसाद पांडे

स्वतंत्र निदेशक (18.04.2022 से)

Shri Adya Prasad Pandey

Independent Director (w.e.f. 18.04.2022)

श्री अश्विनी कुमार

सरकारी निदेशक (09.02.2024 से)

Shri Ashwini Kumar

Government Director (w.e.f. 09.02.2024)

श्री अरुण कुमार कैलू

सरकारी निदेशक (02.07.2020 से 01.02.2024 तक)

Shri Arun Kumar Kailoo

Government Director (from 02.07.2020 to 01.02.2024)

KEY MANAGERIAL PERSONNEL

श्री मनोबेंद्र घोषाल

अध्यक्ष एवं प्रबंध निदेशक (०१.०१.२०२४ से)

Shri Manobendra Ghoshal

Chairman & Managing Director (w.e.f. 01.01.2024)

श्री निशांत अग्रवाल

कंपनी सचिव (27.02.2024 से)

Shri Nishant Agrawal

Company Secretary (w.e.f. 27.02.2024)

श्री अशोक मिश्रा

कंपनी सचिव (17.01.2017 से 26.02.2024 तक)

Shri Ashok Mishra

Company Secretary
(from 17.01.2017 to 26.02.2024)

श्री सुमित कुमार राय

मुख्य वित्तीय अधिकारी (18.05.2023 से)

Shri Sumit Kumar Roy

Chief Financial Officer (w.e.f. 18.05.2023)

श्री सतदल मित्र

मुख्य वित्तीय अधिकारी (15.05.2017 से 30.04.2023 तक)

Shri Satadal Mitra

Chief Financial Officer
(from 15.05.2017 to 30.04.2023)

सांविधिक लेखापरीक्षक

मेसर्स वी रावल एंड कंपनी

चार्टर्ड अकाउंटेंट

Statutory Auditors

M/s. V Rawal & Company

Chartered Accountants

आंतरिक लेखा परीक्षक

मेसर्स अरिंदम एंड एसोसिएट्स

लागत लेखाकार

Internal Auditors

M/s. Arindam & Associates

Cost Accountants

सचिवीय लेखा परीक्षक

मेसर्स आईजी एंड एसोसिएट्स

प्रैक्टिसिंग कंपनी सचिव

Secretarial Auditors

M/s. IG & Associates

Practicing Company Secretaries

बैंकर्स

भारतीय स्टेट बैंक

इंडियन बैंक

यूनियन बैंक

बैंक ऑफ बड़ौदा

आईडीबीआई बैंक

Bankers

State Bank of India

Indian Bank

Union Bank

Bank of Baroda

IDBI Bank

पंजीकृत कार्यालय

एफ.एस.एन.एल. भवन,

इक्विपमेन्ट चौक, सेन्ट्रल एवेन्यू,

पोस्ट बॉक्स नं. 37

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फैक्स: (0788) 2220423/2223884

Registered Office :

F.S.N.L. Bhawan,

Equipment Chowk, Central Avenue,

Post Box No. 37,

Bhilai (C.G.)

Phone : (0788) 2222474/475

Fax: (0788) 222-0423/2223884

CHAIRMAN AND MANAGING DIRECTOR'S SPEECH

LADIES AND GENTLEMEN,

My heartiest greetings to you on behalf of Ferro Scrap Nigam Limited. I am pleased to share that FSNL has performed well during the Financial Year 2023-24 in terms of physical and financial performance.

PHYSICAL PERFORMANCE HIGHLIGHTS

The Company performed well during the year and FSNL achieved a dispatch of 34.30 lakh metric tons of scrap and 109.65 lakh metric tons of slag haulage (in total 143.95 lakh Ton). The physical performance has been achieved despite the reduction in the input of scrap from current arising and also from old dumps.

FINANCIAL PERFORMANCE HIGHLIGHTS

The Company's total earnings were Rs. 46772.71 lakhs compared to the previous year's figure of Rs. 41416.21 lakhs. The company's gross margin and the profit before tax during the year were Rs. 10504.07 lakhs and Rs. 8820.98 lakhs as compared to the previous year's figure of Rs. 6678.15 lakhs and Rs. 5134.55 lakhs respectively. The total dividend declared is Rs. 12.80 Crore for the year 2023-24, which is 40% of the paid-up capital.

FUTURE PLANS

FSNL is well-positioned for rendering its services to Steel Plants in a better way. FSNL has planned its diversification towards conversion of slag into slag aggregates as per the requirement of steel plant for different uses such as road making, construction material, rail ballast, soil conditioner etc.

Your Company is working in handling of Blast Furnace Slag at various steel plants and is exploring business into grinding of Ground granular blast furnace slag (GGBFS) at the Malanjkhanda project of Hindustan Copper Limited.

EXPANSION OF ACTIVITIES

Your Company is working with all the SAIL / RINL Steel Plants to expand its operational base in the existing plants as per their expansion plan.

Your Company has bagged new long-term contract from NMDC Integrated Steel Plant Nagarnar for the job of "handling and processing work of iron & steel slag and processing of scrap for a period of 2 years. Accordingly, a new unit at Nagarnar has been set up by FSNL and required manpower and machinery have been mobilized at the Nagarnar Unit. FSNL, Nagarnar unit has been started operation from 10.06.2023.

SIGNIFICANT LEGAL CASE AFFECTING BUSINESS OF THE COMPANY

FSNL has filed an appeal no. MAT 244/2019 dated 15.02.2019 with the Divisional Bench of Hon'ble Calcutta High Court to challenge the Order Passed by the single bench of Calcutta High Court under writ petition no. 33074 (W) of 2013 wherein the single bench has quashed the nomination policy for the award of work on a nomination basis to FSNL.

The Divisional Bench of Hon'ble Calcutta High Court vide order dated 01.04.2019 has stayed the order of Single Bench of Calcutta High Court in the writ petition no. 33074 (W) of 2013. The existing system of awarding work to FSNL on a nomination basis shall continue till the disposal of the Appeal.

DISINVESTMENT

The Cabinet Committee on Economic Affairs ("CCEA"), GoI, in its meeting held on October 27, 2016, accorded its 'in-principle' approval to disinvest entire equity shareholding held through MSTC in FSNL, through strategic disinvestment ("Strategic Disinvestment") and transfer of management control. Department of Investment & Public Asset Management ("DIPAM") will oversee the strategic disinvestment on behalf of GoI.

The process of disinvestment is at advance stage and draft share purchase agreement has been prepared by the Legal Advisor for finalization of the terms and conditions in consultation with the Ministry of Steel and DIPAM.

STATUS OF SCRAP RECOVERY CONTRACT:

1) SAIL Units :

SAIL Plants are covered under Long Term Agreements as under:

- a. Bhilai Steel Plant: Agreement is valid upto 31.03.2026.
- b. Bokaro Steel Plant: Agreement is valid upto 31.03.2026.
- c. Rourkela Steel Plant: Agreement is valid upto 31.03.2026.
- d. Durgapur Steel Plant: Agreement is valid upto 31.03.2026.
- e. ISP Burnpur: Agreement is valid upto 31.03.2026.
- f. Salem Steel Plant, Salem: Agreement is valid upto 31.03.2026.

2) Other than SAIL:

The contracts with RINL, MIDHANI and NMDC Steel Limited, Nagarnar are in place.

CORPORATE GOVERNANCE & OTHER POLICIES

In compliance with DPE Guidelines on Corporate Governance and the provisions of the Companies Act, 2013, Board level committees viz. Audit Committee, Nomination and Remuneration Committee & CSR Monitoring Committee are operational in your Company.

During the FY 2023-24, FSNL has discharged its Corporate Social Responsibilities in accordance with the provisions of the Companies Act, 2013. The details of the same are disclosed in the Directors' Report of the Company.

FSNL is constantly making its best efforts for implementation of official language policy at its Corporate Office and Units.

The Whistle Blower Policy is fully operational in your company.

To prevent sexual harassment of women at workplace in your organization, an Internal Complaints Committee is in place to deal with complaints, if any, of the women employees (including permanent, trainee, contractual/ outsourced, etc.) of the Company. The summary of complaints received and dealt during the financial year are disclosed in the Directors' Report of the Company.

ACKNOWLEDGEMENT

Before I conclude, I would like to take this opportunity to express my sincere thanks to our valued customers i.e. SAIL Steel Plants, RINL, MIDHANI, and NMDC Steel Limited. Board also expresses gratitude to the Ministry of Steel and other departments of Govt. of India and the State Govt. of Andhra Pradesh, Chhattisgarh, Jharkhand, Odisha, Tamil Nadu, Telangana, and West Bengal for their continued support and guidance and our holding company MSTC Limited. I would also convey my sincere gratitude to my colleagues on the Board for their valuable contribution to the deliberations of the Board.

Last but not the least I appreciate the contribution of all the officers and employees at all levels for their sincere efforts put in during the year towards attainment of Company's objectives. I would also like to place on record my sincerest appreciation of the co-operation extended by all Trade Unions for maintaining excellent and cordial working atmosphere and industrial relations.

I am confident that with continuous focused efforts in areas of cost control and efficiency improvement and with expert, experienced, and committed human resource, your company's financial performance would improve in the present financial year also.

I extend my best wishes for Durga Puja, Deepawali and the festivals coming ahead.

Thanking you,
Jai Hind!

Place : Kolkata
Date : 09.08.2024

Sd/-
Manobendra Ghoshal
Chairman and Managing Director
DIN: 09762368

DIRECTORS' REPORT

To,

The Members of

FERRO SCRAP NIGAM LIMITED

Your Directors are pleased to present the 45th Annual Report together with the Audited Financial Statements, Statutory Auditor's Report and comments of the Comptroller and Auditor General of India for the year ended 31st March 2024. The Report on Corporate Governance and Management Discussion and Analysis has also been attached to this report.

PERFORMANCE HIGHLIGHTS (2023-24)

(a) Physical Performance

The Company performed well during the year and FSNL achieved a dispatch of 34.30 lakh metric tons of scrap and 109.65 lakh metric tons of slag haulage (in total 143.95 lakh Ton). The physical performance has been achieved despite reduction in the input of scrap from current arising from old dumps. The achievement of scrap & slag was possible by augmenting the present activities at Burnpur & Bokaro and also due to the excellent work culture, team spirit, hard work and dedication of all the employees as well as cooperation and support received from customers.

(b) Sustainable Development.

- FSNL has been utilizing solar plants since 2013 for its corporate office and its garden. The company continues its efforts towards the green office concept by installing a rooftop 15 KW Solar Power Unit at its Corporate Office. With the help of 5 KVA & 10 KVA capacity Solar Power Plant was installed, whereby, with the enhanced solar power generation, in 2023-24 – 9012 KVA of Solar energy was utilized from the solar energy power generated from rooftop solar power plant installed at Corporate Office, Bhilai.
- The Company is continuously making its efforts in conservation of natural resources through Rain Water Harvesting at Corporate Office and Bhilai Unit for recharging rainwater into ground to improve the groundwater table.

(c) Procurement through Government E-Marketplace (GeM)

As a Digital India initiative, the Company has started extensively using GeM Portal hosted by DGS & D for secondary purchases. The value of purchase made in the financial year 2023-24 is Rs. 5820.46 Lakhs.

(d) Energy Conservation

The Company continues its efforts towards green office concept by having installed rooftop 15 KW Solar Power Unit at its Corporate Office.

During the year 2023-24 under review the Company has conserved the energy by utilizing 9012 unit of electrical power through Solar Power Unit.

(e) Capacity Utilization

The company operated at 97.06 % capacity in the year 2023-24.

FINANCIAL HIGHLIGHTS:

(Rs. in Lakhs)

Particulars	2023-2024	2022-2023
Total Revenue	46772.71	41416.21
Profit Before Tax	8820.98	5134.55
Profit After Tax (PAT)	6492.37	3837.87
Gross Margin	10504.07	6678.15
Balance brought forward from previous year	(796.57)	(1448.95)
Other Comprehensive Income (OCI)	(43.70)	114.51
Profit available for Appropriations	5652.10	2503.43
Appropriations:		
Final Equity Dividend payout of previous year	1280.00	900.00
Interim Equity Dividend payout of Current year	1280.00	2400.00
General Reserve	3080.00	0.00
Surplus carried to the next year's account	12.10	(796.57)
Earnings per Share (Rs.) (Face Value Rs. 10/-)	20.29	11.99
PBT Per Employee	19.52	10.67

The total earnings of the company was Rs. 46772.71 lakhs as compared to the previous year's figure of Rs. 41416.21 lakhs. The company's gross margin and the profit before tax during the year was Rs. 10504.07 lakhs and Rs. 8820.98 lakhs as compared to the previous year's figure of Rs. 6678.15 lakhs and Rs. 5134.55 lakhs respectively.

CAPEX:

The company has incurred expenditure to the tune of Rs. 2412.51 Lakhs towards acquisition/addition of fixed assets in the year 2023-24 from its resources generated internally on accrual basis against the revised estimate of Capex Target of Rs.2000.00 Lakhs for the financial year 2023-24.

GENERAL RESERVES:

The General Reserves of the Company is Rs. 22529.21 lakhs as on 31st March, 2024.

DIVIDEND:

During the year ended March 31, 2024, the Company has paid Interim Dividend of Rs. 4.00 per equity share and the total payout of Rs. 1280.00 Lakhs in two tranches.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO:

The information is pursuant to Section 134(3)(m) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014 in respect of Conservation of Energy, Technology Absorption, and Foreign Exchange Earnings and Outgo are given in the **Annexure-I** forming part of this report.

STATUS OF LONG-TERM AGREEMENTS :

The details of Long-Term Agreements with steel plants as under:

- 1) SAIL Plants
 - a) Bhilai Steel Plant:
Agreement is valid upto 31.03.2026.
 - b) Bokaro Steel Plant:
Agreement is valid upto 31.03.2026.
 - c) Rourkela Steel Plant:
Agreement is valid upto 31.03.2026.
 - d) Durgapur Steel Plant:
Agreement is valid upto 31.03.2026.
 - e) ISP, Burnpur:
Agreement is valid upto 31.03.2026.
- 2) RINL, Visakhapatnam Steel Plant, Visakhapatnam
Agreement is valid upto 31.10.2024.
- 3) Salem Steel Plant, Salem
Agreement is valid upto 31.03.2026.
- 4) AMNS Limited, Hazira, Surat.
Work Order was valid upto 31.12.2023. The unit was closed from 31.12.2023
- 5) MIDHANI, Hyderabad
Work Order is valid upto 29.09.2024.
- 6) NMDC Steel Limited, Nagarnar

The agreement was signed on 25.03.2022 for two years from the actual date of the start of operational work. The date of start of operation is 10.06.2023

The Ministry of Steel directed to the Chairperson, RINL, and NMDC that in the meeting of Inter-Ministerial Group (IMG) to discuss the strategic disinvestment of FSNL it was decided for extending the contracts for further period of two years.

PERSONNEL

The total strength of manpower in the company as on 31.03.2024 was 423, comprising of 114 Executives and 309 Non-executives. The overall representation of employees belonging to Scheduled Caste, Scheduled Tribe & OBC communities as on 31st March 2024 was 18.58%, 9.51% & 23.89%, respectively. The Presidential directives issued from time to time with regard to reservation of vacancies for SC/ST/OBC & Divyang personnel in Recruitments, are strictly adhered to by FSNL.

Out of the total strength of 423 employees as on 31.03.2024, the strength of Male & Female employees was 415 & 8, respectively.

The position of SC/ST/OBC, Minority & Physically challenged employees in various groups as on 31.03.2024 was as follows:-

Group	No.of Employees		S.C.		S.T.		OBC		Minority		Physically Challenged	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
A.	108	06	14	-	04	-	25	01	03	-	-	-
B.	245	01	41	01	24	-	63	-	19	-	-	-
C.	61	01	20	-	15	-	13	-	12	-	-	-
D. Excl.Safai Karmachari												
D. Incl.Safai Karmachari	01	-	01	-	-	-	-	-	-	-	-	-
TOTAL	415	8	76	01	43	-	107	01	34	-	-	-

RECRUITMENTS

No recruitment on regular posts has been made during the year 2023-24.

WELFARE OF MINORITIES

The directives issued from time to time for the welfare of Minorities have been strictly adhered to by the company. As on 31st March 2024, out of 423 employees, the total strength of employees belonging to Minority communities was 34, and the percentage of representation of Minorities in FSNL was 7.52% as on 31st March 2024.

All welfare measures as in vogue / introduced by the company from time to time for the benefit of the employees are uniformly extended to all the employees including employees belonging to Minority community.

WELFARE OF WEAKER SECTIONS

All categories of employees, including SC/ST/OBC community, are provided with all welfare measures as per the rules of the company.

IMPLEMENTATION OF RIGHT TO INFORMATION ACT, 2005

In compliance with the mandatory provisions of the RTI Act, FSNL has appointed a Public Information Officer (PIO) at Corporate Office and one APIO each at its units. Further, as per the provisions of the RTI Act 2005, the first appellate authority has also been appointed at Corporate Office. The company has complied the information under 17 different templates/ manuals for voluntary /Suo-moto disclosures required under section 4 (1)(b) of the Act and hosted the same on the company's website "fsnl.nic.in" and the information so published are being regularly updated.

The company is proactively complying with the provisions of Right to Information Act, 2005. All information sought under the act is being furnished within the stipulated time period.

Quarterly reports are submitted to the CIC regularly. All requests for information are dealt with as per the prescribed guidelines of the RTI Act, 2005. The total number of RTI application received during the period 1st April 2023 to 31st March 2024 was 63. Out of 63 applications, 60 applications have been replied and only 03 applications were pending, as on 31.03.2024, which were also replied within stipulated time.

VIGILANCE ACTIVITIES

The Vigilance Department has been focusing on "Preventive & Proactive Vigilance" and accordingly co-ordinate with the management in improving upon the existing procedure & system to achieve the overall objectives of the Company. Routine and surprise checks, scrutiny of files, scrutiny of audit reports, system study, random scrutiny of the Property Returns of the employees and CTE type intensive examination of works were carried out as a preventive measure. Apart from this, required reports/returns were submitted to Ministry/CVC and structured meeting held with the MD.

Complaints received from various sources were handled as per the complaint handling mechanism guidelines/ procedures of CVC.

Constant efforts are being made for Leveraging technology to bring transparency in the affairs of the company. Transparency and fairness for award of contracts is continuously being monitored. Total 138 number of work orders/ Purchase orders covered under Integrity Pact. Various suggestions were given to management for systemic improvements in line with CVC guidelines.

Vigilance Awareness Week was organized in the Company from 30th October 2023 to 5th November, 2023 on the theme "Say no to corruption; commit to the Nation", "अष्टाचार का विरोध करें; राष्ट्र के प्रति समर्पित रहें" during which various activities like Slogan

competition, Essay writing competition, Online Quiz, Cartoon, Drawing, pamphlet distribution in public places, pledge by the employees, vendors meet etc. were organized to create vigilance awareness among the employees and their family members, public and stock holders. Essay writing competition was organized for school students and debate competition was organized for college students. One Gram Shabha program was organized at Jhirpani Gram Panchayat, Rourkela. In addition to above, as a prelude to vigilance awareness week, a three-month campaign (16th August to 15th Nov 23) was taken up on six preventive vigilance measures as focus areas i.e. Awareness building about Public Interest Disclosure and Protection of Informers (PIDPI) Resolution, Capacity Building programs, Identification and implementation of Systemic Improvement measures, Leveraging of IT for complaint disposal, Updation of Circulars/Guidelines/ Manuals and Disposal of complaints. Vimochan of the 4th issue of vigilance e-magazine “Satarak” was done during the Vigilance Awareness Week.

SAFETY

As a measure of creating awareness among the employees about safety & safe working practices, Safety Day celebrations were organized in all the units of FSNL as well as at Corporate Office, wherein debates on safety & allied matters, talk on safety & safe working practices etc., were organized. Winners of the competitions were given suitable prizes to boost up their morale and to motivate other employees also to take part in such competitions.

A unit level Safety committee, comprising of members/representatives both from Workers and Management have been constituted and are functional at units of FSNL. The meeting of the committee is held on monthly basis at units, wherein matters pertaining to safety & safe working practices are discussed to ensure safe working environment.

Special training programmes for the prevention of accidents were organized by maintaining close liaison with the Safety departments of the concerned Steel Plants as well as the reputed agencies like National Safety Council. During 2023-24, the frequency rate of reportable accidents was 0.06% per thousand man-days worked.

WORKERS' PARTICIPATION IN MANAGEMENT

In smooth functioning of any organization, Workers' Participation in management plays a vital role. Considering this, and also to ensure optimum participation of workers in all spheres of activities undertaken by the management, a Joint Forum Committee (JFC) is constituted in FSNL. The Joint Forum Committee consists of equal number of representatives from Management & the recognized Unions, including Heads of Department at Corporate level. A representative of the management is nominated as the Convener of JFC, while a representative of the Union functionary as the Jt. Convenor. Regular meetings of the Joint Forum Committee are held for discussing and sorting out the issues of employees. Wherever felt necessary, the Agreements/Memorandum of Settlements are also signed by & between the management & the recognized unions in the Joint Forum Committee's meetings.

Mutual discussions across the table in the Joint Forum Committee's meetings, results in analysis & finding best solutions to various problems in a congenial atmosphere. Workers' Participation in Management is a regular & well-established phenomenon in FSNL.

Works Committee, consisting of representatives from management and members nominated by recognized Unions, are also constituted at Unit level to discuss & sort out day-to-day problems as well as matters of the employees' interest, so that smooth functioning of units could be ensured with dedicated and joint efforts of the workmen and the unit management.

INDUSTRIAL RELATIONS

Harmonious industrial relationships were maintained in the company during 2023-24. There was zero loss of production throughout the year on account of incidents like Gherao/Bandh or strike etc.

CITIZEN CHARTER

FSNL has formulated a Citizen's Charter by adopting the Seven Step Module, representing a systematic effort to focus on the commitment of the Organization towards its Citizens/Clients in respect of Standard of Services, Information, Choice and Consultation, Non-discrimination and Accessibility, Grievances Redressal, Courtesy and Value for money, including expectation of the Organization from the Citizen/Client for fulfilling the commitment of the Organization. The company has adopted Grievance Redressal mechanism, which forms part of Board approved Citizen's Charter, as detailed below:-

(A) PUBLIC GRIEVANCE REDRESSAL

A 3-Tier Grievance Redressal Machinery has been formulated by FSNL for the redressal of Public Grievances.

A Grievance Box has been kept at the reception counter of the Units/Corporate Office for easy accessibility of these boxes to the Public.

For smooth redressal of one's grievance, anyone from Public could approach FSNL under 3 stages beginning with its Public Grievance Officer, then the Unit Head/HOD of Operations at Corporate Office & P&A Head at Corporate Office. At each stage he is responded within a stipulated time schedule. In the event the aggrieved person is not satisfied with the reply at any stage, he can make his appeal to the Managing Director.

The MD, after examining the actions taken by the authorities at the above 3 stages, would analyze the grievances & communicate his decision to the concerned complainant within 15 days of the receipt of the appeal. Online grievances received through CPGRAM System of Ministry are also responded & cleared online within the stipulated time schedule.

The summary of grievances received and disposed off during the financial year 2023-24 is as below:

No. of Grievance Brought Forward	No. of Grievances Received	No. of Grievance Disposed Off	No. of Grievances Pending
NIL	12	12	Nil

(B) STAFF GRIEVANCE REDRESSAL

For Staff Grievance also, a 3-Tier Grievance Redressal machinery is in vogue. The staff grievances, if any, are normally resolved at the unit level. Such grievances which need intervention of Corporate management, are taken up by the Unions with the Management at the Joint Forum Committee's meetings and the grievances are resolved across the table.

WHISTLE BLOWER POLICY

A Whistle Blower policy has also been implemented by FSNL for providing an opportunity to the employees to access in good faith, to the Audit Committee, in case they observe unethical and improper practices or any other wrongful conduct in the company, and to prohibit managerial personnel from taking any adverse personnel action against those employees. The policy adopted by FSNL is in accordance with the DPE guidelines. This policy is available on the company's website.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In accordance with Prevention of Sexual Harassment of Women Employees at Workplace (Prevention, Prohibition and Redressal) Act 2013, we are committed to provide a safe and conducive work environment to our employees. A Complaints Committee is also in place to deal with complaints, if any, of the women employees (including permanent, trainee, contractual/outsourced, etc.) of the company.

During the financial year no complaints were received under the Act, representation in tabular form is given as below:

Sl. No.	No. of complaints brought forward from the previous year	No. of complaints received during the year	Total no. of complaints	No. of complaints disposed off during the year	No. of complaints pending during the year
(1)	(2)	(3)	(4) = (2) + (3)	(5)	(6)
1			Nil		

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

FSNL has filed an appeal no. MAT 244/2019 dated 15.02.2019 with the Divisional Bench of Hon'ble Calcutta High Court to challenge the Order Passed by the single bench of Calcutta High Court under writ petition no. 33074 (W) of 2013 wherein the single bench has quashed the nomination policy for the award of work on a nomination basis to FSNL.

The Divisional Bench of Hon'ble Calcutta High Court vide order dated 01.04.2019 has stayed the order of Single Bench of Calcutta High Court in the writ petition no. 33074 (W) of 2013. The existing system of awarding work to FSNL on a nomination basis shall continue till the disposal of the Appeal. Accordingly, all existing Work contracts awarded to FSNL on a nomination basis are under judicial review.

INFORMATION TECHNOLOGY INITIATIVE

FSNL has successfully implemented a web-based Human Resource Management System (HRMS), E-office System, Executive Performance Management System, Employee Self Service Portal, Vendor Bill Tracking System, and Online Annual Property Return Portal. At present web-based Finance & Accounting systems are under implementation.

Bio-matrix attendance system has been installed in all units and the Corporate Office of FSNL. All payments to all employees & vendors are made through Digital Mode. CCTV cameras have been also installed in all the Units and at Corporate Office of the company at strategic places as a safety and security measure.

FSNL's Corporate Office and major Units are connected through a high-speed internet Leased Line. Online meetings i.e. Board Meetings, Review Meetings, PF Meetings, etc. are conducted through Online Video conferencing system, which helps in conducting regular online interaction between Corporate Office & Units, minimizing cost & time.

1st stage security audit of FSNL applications i.e. FAST, CAMMS, Payroll system, Executive Performance Management System, Employee Self Service Portal, and Vendor Bill Tracking System) has been successfully completed by CERT-in impaneled agency.

OFFICIAL LANGUAGE POLICY

All the directives issued by the Government from time to time with regard to implementation of Official Language Policy are being strictly adhered. FSNL is dedicated towards contribution in the area of implementation of official language policy and continuous efforts are being made towards promotion of progressive use of Hindi.

Employees are constantly motivated to carry out their official jobs in Hindi. With an objective to create awareness & interest among the employees for the use of Hindi various competitions from time to time are being organized and winners of these competitions are also being awarded. Further, 20 employees of FSNL have also bagged the Rajbhasha Excellence Award.

The ninth issue of "Darpan", an in-house magazine. dedicated to the official Language Hindi was released Compositions of eminent writers of India along with the compositions received from employees of the organization have been incorporated in the issue of "Darpan".

Ferro Scrap Nigam Limited has been awarded with "Rajbhasha Agradanya" (Rajbhasha-Pioneer) first prize by TOLIC (Town Official Language Implementation Committee) Bhilai-Durg.

During the year various competition in Official Language were organized for the employees of TOLIC (Town Official Language Implementation Committee) Bhilai-Durg. Apart from these various competitions on the Hindi handwriting/Hindi Quiz/Hindi speech/Hindi debate were organized and National level competitions were also organized for the college students.

PARTICULARS OF EMPLOYEES:

The Statement showing the names and other particulars of the employees of the company as required under Rule 5 (2 &3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not required to be furnished since none of the employees of the company has received remuneration in excess of the remuneration mentioned in the above-mentioned Rule 5 (2) during the financial year 2023-24.

BOARD OF DIRECTORS:

DIRECTORS:

The Board of Directors consist of Shri Manobendra Ghoshal (DIN: 09762368) as Chairman and Managing Director, Smt. Bhanu Kumar (DIN: 07982360) as Nominee Director of MSTC Limited, Shri Adya Prasad Pandey (DIN: 09347851) as non-official (Independent) Director and Shri Ashwini Kumar (DIN- 07598593) as Government Nominee Director.

BRIEF INFORMATION OF DIRECTORS APPOINTED DURING FY 2023-24.

The Ministry of Steel, Government of India vide its order no. S-14018/1/2022-BLA dated 01st January 2024 has appointed Shri Manobendra Ghoshal, Chairman-cum-Managing Director, MSTC Limited as Chairman of Ferro Scrap Nigam Limited w.e.f 01.01.2024 and also assigned additional charge of the post of Managing Director of Ferro Scrap Nigam Limited for a period of one year or till further orders, whichever is earlier. Shri Surinder Kumar Gupta (DIN: 08643406), Chairman and Managing Director has attained superannuation and has ceased to be Chairman and Managing Director of Ferro Scarp Nigam Limited w.e.f on 31.12.2023.

The Ministry of Steel vide order no. S-14011/1/2022-BLA dated 09.02.2024 had appointed Shri Ashwini Kumar, Economic Advisor, Ministry of Steel as Government Nominee Director on the Board of Directors of Ferro Scrap Nigam Limited with effect from 09.02.2024. Shri Arun Kumar Kailoo, Government Director of FSNL has retired from the post of Director in the Ministry of Steel on 31.01.2024 on attaining the age of superannuation and relinquished the charge of Government Director in FSNL Board of Directors w.e.f. 01.02.2024

KEY MANAGERIAL PERSONNEL:

The details of the Key Managerial Personnel of the Company as on the date of this report are as follows;

S.No.	KMP	Designation
1.	Shri Manobendra Ghoshal	Chairman and Managing Director
2	Shri Nishant Agrawal	Company Secretary
3.	Shri Sumit Kumar Roy	Chief Financial Officer

STATEMENT OF INDEPENDENCE OF DIRECTOR.

The Independent Director of the Company has submitted a statement of independence in compliance of Section 149(7) of the Companies Act, 2013. In compliance with Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Directors of the Company had registered themselves with the Indian Institute of Corporate Affairs (IICA), Manesar

and have included their names in the databank of Independent Directors within the statutory timeline. The Board of Directors has confirmed that the Independent Director is the person of integrity and possess relevant expertise and experience as per regulation and are independent of the management.

AUDITORS:

In pursuance of the powers conferred by Section 139 of the Companies Act, 2013 read with Section 129(4) of the Companies Act, 2013, the Comptroller & Auditor General of India appointed M/s V Rawal & Co., Chartered Accountants as the Statutory Auditor of the Company for the period under review.

The Statutory Auditors' Report on the Accounts of the Company for the financial year ended on 31st March 2024 is placed at **Annexure VII** and forms part of this report.

The comments on the accounts for the year ended 31st March 2024 by the Comptroller & Auditor General of India under Sec 143(6) (a) & (b) of the Companies Act, 2013 forms part of this report as **Annexure VI**.

SECRETARIAL AUDITORS

According to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of the Companies Act, 2013, M/s IG & Associates a Practicing Company Secretaries were appointed to undertake the Secretarial Audit for a period of three financial year commencing from 2023.

The Secretarial Audit Report is placed at Annexure IV and forms part of this report. The Secretarial Auditor has reported the following observations which may have major bearing on the Company's affairs:

Sl. No.	Observation of Secretarial Auditor	Management Reply
1.	During the financial year 2023-24, the constitution of Board of Directors was improper as only one Independent Director has been appointed by the Ministry of Steel w.e.f 18.04.2022	The appointment/nomination of Directors including Independent Director is done by the President of India through Ministry of Steel, hence the appointment of Independent Director is beyond the control of FSNL.
2.	The Audit Committee, Nomination and Remuneration Committee were dissolved w.e.f. 05.02.2024 to 13.02.2024 due to improper constitution of Board. Audit committee, and Nomination and Remuneration Committee were re-constituted on 14.02.2024.	The appointment/nomination of Directors including Independent Director is done by the President of India through Ministry of Steel, hence the appointment of Independent Director is beyond the control of FSNL.
3.	The company is providing scrap recovery and allied services mainly to steel CPSEs on a nomination basis. The nomination policy was quashed by the Hon'ble Calcutta High Court via its order dated January 25, 2019 i.e., WPA33074 of 2013. However, FSNL has filed an appeal, which was stayed by an order dated April 1, 2019 and the existing system of awarding work to FSNL on a nomination basis will continue until the disposal of the appeal. The Inter-Ministerial Group (IMG) has directed to award works on FSNL on competitive bidding rather than on a nomination basis by steel plants of CPSEs in its meeting dated September 4, 2020, which was challenged by Durgapur Ferro Scrap Nigam Limited Permanent Employee Union vide WPA No. 8958 of 2020 before Calcutta High Court. The Hon'ble Calcutta High Court, vide its order dated January 29, 2021, directed that the existing system of awarding work to FSNL on a nomination basis not be disturbed. This petition is also subjudice and pending for further hearings.	The Ministry of Steel vide its letter no. S-31043/2/2021-MFH dated 17.05.2023 directed that in view of the existing situation and ongoing disinvestment exercise, the CPSEs under the MOS may continue the existing practice of awarding/extending the contracts to FSNL on nomination basis for a period of 2 years starting from April 2024. Since the matter is subjudice the steel CPSEs has extended the work for further 2 years subject to final verdict of the Hon'ble High Court.
4.	Ferro Scrap Nigam Limited (FSNL) is a wholly owned subsidiary of MSTC Limited and the Shareholders of MSTC Limited (Holding Company) in their Extra-ordinary General Meeting dated 22.10.2021 have decided to sale the entire stake in Ferro Scrap Nigam Limited (FSNL). Accordingly, the process for sale has already started which is at advanced stage.	These are matter of facts and no comments can be given as FSNL is not privy to the decision taken by the shareholders of MSTC Limited.

The appointment of Directors including Non-official (Independent) Directors on the Board is beyond the control of FSNL as the Ministry of Steel, Government of India is the Competent Authority for making the appointment of all the Directors (except one nominee Director of MSTC Limited). The Company has communicated to the Administrative Ministry and DPE for appointment of two more IDs (i.e. one half of the Board composition).

INTERNAL AUDITORS

M/s. Arindam & Associates, Cost Accountants, Raipur, performs the duties of Internal Auditors of the Company for all the units and corporate office of FSNL during the financial year 2023-24, 2024-25, and 2025-26. The Reports of Internal Auditors along with management comments were reviewed by the Audit Committee from time to time.

DIRECTORS RESPONSIBILITY STATEMENT:

Your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013 based on the certification received from the operating management of the company:

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) That your directors have selected such accounting policies and applied them consistently, and made judgment 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 of the company for that period;
- c) That your directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of your company and for preventing and detecting fraud and other irregularities;
- d) That your directors have prepared the annual accounts on a going concern basis;
- e) that your directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as “**Annexure V**”.

COMMITTEES OF THE BOARD

The Audit Committee, Nomination and Remuneration Committee were dissolved w.e.f. 05.02.2024 due to improper constitution of the Board. Upon induction of Shri Ashwini Kumar as Government Nominee Director the Board of Directors reconstituted the Audit Committee, CSR Monitoring Committee and Nomination & Remuneration Committee w.e.f. 14.02.2024.

AUDIT COMMITTEE

A detail of the Audit Committee is mentioned under “**Annexure II**” of this report.

CSR MONITORING COMMITTEE

A detail of the CSR Monitoring Committee is mentioned under “**Annexure II**” of this report.

The CSR Policy of the company is available on the website of the company at www.fsnl.nic.in. The Annual Report on CSR activities is annexed herewith as “**Annexure III**”.

NOMINATION AND REMUNERATION COMMITTEE

(Formerly known as Remuneration Committee)

A detail of the Nomination and Remuneration Committee is mentioned under “**Annexure II**” of this report. FSNL, being a CPSE, the selection and appointment of Directors including Chairman, Managing Director, Govt. Nominated Director and other Directors except One Nominee Director by Holding Company are being appointed by the Ministry of Steel, Govt. of India. FSNL is not having any power to induct or remove any of the Directors of the Company.

Further, the appointment and remuneration of other executives including Key Managerial Personnel of the Company is done as per the DPE guidelines with the approval of the administrative Ministry. And for unionized employees, agreements with recognized unions for wage agreement are entered into and implemented by the company with the approval of the administrative ministry.

The Independent Directors and Government Nominee Directors do not have any material pecuniary relationship or transactions with the company. However, Non-official (Independent) Directors were paid sitting fees at a rate fixed by the Board within the limits as prescribed under the Companies Act, 2013 for attending the meetings of the Board and Committees of Directors. Presently sitting fee of Rs.15000/- is being paid to Non-official (Independent Director) for attending each meeting of the Board and Committees of Directors.

Government Nominee and other Non-Executive Directors are not entitled to any remuneration or sitting fee from the Company.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS.

The company has an efficient and sound system of internal control to monitor the activities of the company to achieve the business objectives with accuracy, clarity and transparency of financial reporting. Present internal control ensures statutory compliance with rules, laws and regulations and with the laid down policies and procedures of the Company.

To ensure independence to the internal control system, internal audit functions emphasizing transparency in the system and therefore, internal audit of the company is entrusted to independent external firms of Cost Accountants/Chartered Accountants. The reports of the internal audit are periodically submitted to the management and Audit Committee for improvement, appraisal and remedial measures, if any.

RISK MANAGEMENT POLICY

The Company has adopted a Risk Management Policy to identify and evaluate business risks associated with the operations and other activities of the Company and formulated risk mitigations strategies.

WHISTLE BLOWER POLICY

A Whistle Blower policy has also been implemented by FSNL for providing an opportunity to the employees to access in good faith, to the Audit Committee, in case they observe unethical and improper practices or any other wrongful conduct in the company, and to prohibit managerial personnel from taking any adverse action against those employees. The policy adopted by FSNL is in accordance with the DPE guidelines.

This policy is posted on the website of the company.

RELATED PARTY TRANSACTIONS

In addition to MSTC Limited (Holding Company), the Directors and Key Managerial Personnel (KMP) are the related party as defined under section 2(76) of the Companies Act, 2013.

And, there have been no materially significant related party transactions between the Company and the Directors, the management, the holding company or the relatives. Suitable disclosures as required by the Ind AS 24 have been made in note no. 37 in the notes to the financial statements.

CORPORATE GOVERNANCE

Separate report on Corporate Governance and Management Discussions and Analysis are attached herewith as Annexure-II and forms part of this Annual report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report forms part of the Board Report.

ACKNOWLEDGEMENT

The Board records sincere support received from its valued customers i.e. SAIL Steel Plants, RINL, MIDHANI and NMDC Steel Limited. Board also express gratitude to the Ministry of Steel and other departments of Govt. of India and State Govt. of Andhra Pradesh, Chhattisgarh, Gujarat, Jharkhand, Odisha, Tamil Nadu, Telangana and West Bengal for their continued support and guidance and our holding company MSTC Limited.

The Board of Directors appreciates the contribution of all the employees at all levels towards the attainment of Company's objectives.

For and on behalf of Board of Directors

Sd/-

Manobendra Ghoshal

Chairman and Managing Director

DIN: 09762368

Place : Kolkata

Date : 09.08.2024

ANNEXURE – I TO THE DIRECTORS' REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNING AND OUTGO ETC:

Information on the conservation of Energy, Technology Absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

(A) CONSERVATION OF ENERGY:

(i)	The steps taken or impact on conservation of energy:	We have switched over to installing LED lights from traditional lights in the Corporate Office, Bhilai. This has reduced the power consumption by 50 %.
(ii)	The steps taken by the Company for utilising alternate sources of energy.	With the help of 5 KVA & 10 KVA capacity Solar Power Plant was installed, whereby, with the enhanced solar power generation, in 2023-24 – 9012 KVA of Solar energy was utilized from the solar energy power generated from rooftop solar power plant installed at Corporate Office, Bhilai.
(iii)	The capital investment on energy conservation equipment:	

POWER AND FUEL CONSUMPTION:

	CURRENT YEAR 2023-2024			PREVIOUS YEAR 2022-2023		
	UNITS(KWH)	Total Cost	Rs. Per Unit	UNITS(KWH)	Total Cost	Rs. Per Unit
Electricity	1286038.19	9258012	7.20	1304793.50	8953524.66	6.86

CONSUMPTION PER UNIT OF PRODUCTION:

	Standards (if any)	Current Year 2023-2024	Previous Year 2022-2023
Product: Iron & Steel Scrap	N.A.	1.82	1.61

(B) TECHNOLOGY ABSORPTION:

FOREIGN EXCHANGE EARNINGS AND OUTGO:

(i)	The efforts made towards technology absorption.	Updation of technology is a continuous process. Efforts are continuously made to develop new avenues for improved services required by Customers.
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution.	<u>Process & Technology.</u> (i) FSNL has taken up one R&D project with CSIR-NML, Jamshedpur for the development of process technology for converting waste sludge, generated during Iron & Steel making, into Briquettes. 2nd phase plant trials were initiated to establish the results.

		(ii) Development of design guidelines and specification for utilisation of Steel Slag in rural road construction. (iii) Upgraded the operation process by introducing hydraulic excavator of 35 Ton with magnet attachment in equipment flit against obsolete model rope magnet crane used for loading. (iv) FSNL has done several modifications in existing Separators and Screening Units to get better output and also to meet customer's requirement. (v) To get better output or to increase production FSNL has a practice of replacement of old and problematic equipment and old sub-assemblies with new, in order to increase machine's availability introduced in equipment flit in capex.
(iii)	In case of imported technology (imported during the last three years reckoned from beginning of the financial year) a) The details of technology imported. b) The year of import. c) Whether the technology been fully absorbed. d) If not fully absorbed, areas where absorption has not taken place & the reason thereof.	N.A.
(iv)	The expenditure incurred on Research and Development.	NIL

The total foreign exchange earnings and outgo was Nil during the year 2023-24. The total foreign exchange earnings were Nil and the outgo was Rs. 3.90 Lakhs during the year 2022-23

For and on behalf of Board of Directors

Place : Kolkata
Date : 09.08.2024

Sd/-
Manobendra Ghoshal
Chairman and Managing Director
DIN: 09762368

MANAGEMENT DISCUSSION AND ANALYSIS REPORT :

Industry Structure and Development:

It is learnt that the beginning of the scrap processing industry in India can be traced back to 1956 when the Managing Director of the then TISCO contacted i.e., M/s Heckett Engineering Company, USA, (a division of Harsco Corporation, (USA), considered the pioneer in Scrap Recovery Technology in the world. The predecessor of Ferro Scrap Nigam Ltd, M/s Heckett Engineering Company (USA) started its operation in 1957 in India at Tata Iron & Steel Company Limited (then TISCO, Jamshedpur) for mechanized scrap recovery. Subsequently, in the year 1962, Rourkela Steel Plant and in 1964, the Indian Iron & Steel Company, Burnpur also employed their services for scrap recovery.

M/s Heckett Engineering Company (USA) operated in India as the Indian Branch of the American Company. Pursuant to the promulgation of Foreign Exchange Regulation Act, 1974, M/s Heckett Engineering Company (USA) either had to wind up its operations or had to acquire an Indian partner who would take a majority stake. At the same time continuance of their operations in India was considered to be beneficial to the steel plants. The solution was to form a new Company.

The Government of India desired that the operation of M/s Heckett Engineering Company, USA should be nationalized. Consequently, MSTC Ltd (the erstwhile Metal Scrap Trade Corporation Ltd.,) then a subsidiary of SAIL was advised to begin work on this decision. MSTC Ltd., after undertaking a comprehensive study recommended the formulation of an independent company for this purpose and thus on the 28th of March, 1979, Ferro Scrap Nigam Limited in collaboration with M/s Harsco Inc., USA came into existence.

The entire mechanized scrap recovery process technology of M/s Heckett Engineering Company as well as the equipment and services of the operating personnel were transferred to FSNL, with 60% shareholding by MSTC Ltd., and the remaining 40% shareholding by M/s Harsco Corporation, USA. Initially, FSNL was a subsidiary of SAIL and delinked from SAIL along with MSTC Ltd., in 1982. In the year 2002, M/s Harsco Corporation transferred their 40 % shareholding to MSTC Ltd., thus FSNL became a wholly owned subsidiary of MSTC Ltd.

The Company was awarded 'Mini-Ratna Category II' by the Government of India. FSNL has filed an application vide letter no. FC/2411/2018 dated 06.04.2018 for upgradation of FSNL from "Schedule C" to "Schedule B" Company. FSNL has also filed an application vide our letter no. FC/3160/2018 dated 15.05.2018 for re-categorisation of FSNL from "Miniratna Category II Company" to "Miniratna Category I Company".

FSNL implemented Integrated Management System - ISO 9001:2015, 14001:2015 & 45001:2018 at Corporate Office as well as all Units which is valid upto 10.03.2025.

Expansion/ New projects:

Expansion in Existing Customer Steel Plant:

FSNL is prepared to enhance their capacity in coming years to come up with the enhanced slag & scrap generated by customer steel plants for recovery and processing.

Due to expansion activities of the Steel Plants, the requirement of scrap is expected to increase and FSNL looks up to this as an opportunity and it is fully geared up to take up these additional jobs of the Steel Plants in the years ahead. FSNL is executing out its plan to revamp/replace the existing fleet of equipment under Addition / Modification / Replacement in a phased manner to achieve cost reduction and increase productivity as well as efficiency.

FSNL has planned its diversification towards conversion of slag into slag aggregates as per the requirement of steel plant for different uses such as road making, construction material, rail ballast, soil conditioner etc.

FSNL has bagged new long-term contract from NMDC Integrated Steel Plant Nagarnar for the job of "handling and processing work of iron & steel slag and processing of scrap for a period of 2 years. Accordingly, a new unit at Nagarnar has been set up by FSNL and required manpower and machinery are mobilized at the Nagarnar Unit. The Nagarnar unit of FSNL commenced operations on 10.06.2023

Strength and Weakness:

Strength

- Core competence in metal scrap recovery bulk material handling.
- Disciplined & skilled workforce with good work culture.
- Highest market shares in its core line of business.
- Trust of regulatory statutory body customer being a PSU company.
- History of very good relationship with the customer.

- Ability to induct and assimilate new technologies as per requirement/situation.
- Availability of heavy equipments which are also useful in other sectors i.e. mines, coal, metals etc.

Weakness

- Inconsistent requirement / demand of customer.
- Absence of long term assured business.
- Business cycle effect and volatility in the steel sector.

Outlook :

Inadequate utilization of large volume of unaccountable/non-segregated scrap is resulting in depletion of natural resources and occupying precious space in the form of huge dump at many Steel Plants viz. Bhilai Steel Plant and Bokaro Steel Plant. FSNL has ample opportunities to convert these huge volumes of unrecovered metal scrap into secondary raw materials for manufacturing of end products.

FSNL has plan for improvement in productivity and efficiency by adopting the following mechanisms:

- a) Induction of rock breaker attachment for loosening of hard slag in slag pit in place of loosening the hard slag by conventional method of balling with the help of a magnet crane.
- b) Induction of shear attachment for further processing of mill rejects at WRM mills in place of conventional processing by manual gas cutting for faster and safe processing of mill rejects.

Opportunities and threats:

Opportunities:

- Capacity expansion of customer steel plant
- Venture in other sectors and diversification of business to similar area like mines, coal, metal etc.

Threats:

- Reduction of metallic in input to FSNL with modernization of steel plants and introduction of advanced technology.
- Compulsion of working in hazardous and adverse working conditions.
- Demand of services by the customers within stringent time schedule.

Risks & Concerns:

- 1) The area of concern for FSNL is the reduction in quantity of scrap due to modernization of steel making technology and operational discipline.
- 2) Single line of business and FSNL's performance is directly related to the business cycle of Steel industry.
- 3) undercutting by small size entities to fetch the similar nature of work.
- 4) Due to increase in cost of various input material like HSD, consumables, equipment, spares and wages, the operational cost has increased significantly, whereas service charge rates of SAIL Steel Plants have not been revised to compensate the inflation.
- 5) The judgement of Hon'ble Calcutta High Court in the appeal no. MAT 244/2019 dated 15.02.2019 preferred against the order of Single Bench of Calcutta High Court in writ petition no. 33074 (W) of 2013 wherein the single bench has quashed the nomination policy for award of work on nomination basis to FSNL. If the appeal no. MAT 244/2019 dated 15.02.2019 filed by FSNL is not allowed by the divisional bench of Hon'ble Calcutta High Court it would entail significant business risk.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE.

During the year the company was engaged in the business of scrap recovery and allied jobs for various steel plants in India which was as per IndAS 108 is considered the reportable business segment. Beside scrap recovery and allied jobs, the company has not rendered any other services during the year under review. The geographical segmentation is not relevant, as the company has no business operation outside India.

Identification of segments:

The Company's operating business are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Inter segment transfers:

The company generally accounts for intersegments sales and transfers as if the sales or transfers were to third parties at current market costs.

Unallocated items:

The Corporate and other segments include general corporate income and expense items which are not allocated to any business segment.

REVIEW OF FINANCIAL PERFORMANCE

FSNL achieved a Total Revenue of ₹ 46772.71 lakhs inclusive of Service charges of ₹ 43461.01 lakhs during the Financial Year (FY) 2023-24, an increase of 12.93 % as compared to the corresponding period of last year (CPLY) of total Revenue of ₹ 41416.21 lakhs inclusive of Service charges of ₹ 39624.88 lakhs.

During the Financial Year (FY) 2023-24, the Profit before Tax and Profit after Tax were ₹ 8820.98 lakhs and ₹ 6492.37 lakhs as compared to the Profit before Tax and Profit after Tax of the corresponding period of last year (CPLY) of ₹ 5134.55 Lakhs and ₹ 3837.87 Lakhs which reflect better performance of the Company, higher by 71.80% and 69.17% respectively over last year. The comparative performance of major financial parameters during the FYs 2023-24 and 2022-23 is given below:

FINANCIAL HIGHLIGHTS	(₹ lakhs)	
Particulars	2023-24	2022-23
Total Revenue	46772.71	41416.21
Revenue from operation	43461.01	39624.88
Earnings before depreciation, interest and tax (EBIDTA)	10504.07	6678.15
Depreciation	1683.09	1543.60
Finance cost	0	0
Profit / (Loss) before tax (PBT)	8820.98	5134.55
Provision for tax / Income Tax refund and deferred tax asset (-)	2328.61	1296.68
Profit / (Loss) after tax (PAT)	6492.37	3837.87
Other Comprehensive Income	-43.70	114.51
Total Comprehensive Income (+)/loss (-)	6448.67	3952.38
Net worth	25785.01	21738.13
EBIDTA to Revenue from operation (Operating Profit Margin) (%)	24.17	16.85
Net Profit Margin (%)	13.88	9.27
Return (PAT) on Net Worth (%)	25.18	17.66
Earnings per share of ₹10/- each	20.29	11.99
Current ratio	3.16	2.40

HUMAN RESOURCES DEVELOPMENT

In order to enhance the skills & knowledge of the employees at all levels, acquainting them with the day-to-day developments in the industrial scenario, various Internal & External training programmes were organized for the employees (Executives as well as Non-executives) through reputed training institutions, on the basis of the yearly training schedule prepared and requirements received through various Departmental Heads.

During the year 2023-24, total 375 man-days were utilized for imparting training to the employees in the area of enhancement of their skills & managerial capabilities.

SKILL DEVELOPMENT

In compliance with the provisions of Apprenticeship Act, 1961 and in adherence of Govt. Guidelines, we have been engaging Graduate and Trade apprentices in our establishment. Six units of FSNL located at Rourkela, Burnpur, Bhilai, Bokaro, Vizag and Durgapur are registered on Apprenticeship Training portal under Ministry of Skill Development and Entrepreneurship for deployment of Trade Apprentice. FSNL is also registered on NATS portal of Board of Apprenticeship Training under Ministry of Education for deployment of Graduate apprentices.

As per the provisions made under Apprentices Act, 1961, it is obligatory on the part of enterprises to engage apprentices in a band of 2.5 % to 15% of the manpower strength. During the financial year 2023-24, total 53 nos of apprentices have been engaged. The details are indicated hereunder: -

Total Manpower Strength as on 01.04.2023	Total No. of apprentices engaged (Graduate & Trade apprentices) during 01.04.2023 to 31.03.2024	Percentage of Apprentices engaged
479	53	11.06 %

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The company has an efficient and sound system of internal control to monitor the activities of the company to achieve the business objectives with accuracy, clarity and transparency of financial reporting. Present internal control ensures statutory compliance with rules, laws and regulations and with the laid down policies and procedures of the company.

To ensure independence to the internal control system, internal audit functions emphasizing transparency in the system and therefore, internal audit of the company is entrusted to independent external firms of Cost Accountants/Chartered Accountants. The reports of the internal audit are periodically submitted to the management for improvement, appraisal and remedial measures, if any.

FURTHER DISCLOSURES AS PER CORPORATE GOVERNANCE GUIDELINES:

1. There is no material significant related party transaction that may have potential conflict with the interest of the company.
2. Instances of non-compliance by the company has been observed and duly reported. No statutory authority has issued any strictures or levied penalty or any matter related to any guidelines issued by the Government during the last three years.
3. The Company has formulated a whistle blower policy in line with Government guidelines duly approved by the board. No person has been denied personal access to Audit Committee and no one has reported anything under this policy.
4. The Corporate Governance Guidelines has been complied to the extent applicable to the Company.
5. All Presidential guidelines have been complied with by the company for the year and also during the last three years.
6. No items of expenditure have been debited in books of accounts which are not for the purpose of business.
7. No expenses are incurred which are personal in nature for the Board of Directors and Senior Management.
8. The financial results are available in the website of the company i.e. www.fsnl.nic.in

Company Identification Number (CIN)

The CIN of the Company is: **U27102CT1979GOI005468**

CAUTIONARY STATEMENT:

Statements in the Management Discussion and Analysis describing the Company's objectives and expectations may be forward looking statements. Actual results may differ materially from those expressed or implied which could make a difference to the company's operations including continuation of business on nomination basis from the public sector steel plant

For and on behalf of Board of Directors

Sd/-

Manobendra Ghoshal

Chairman and Managing Director

DIN: 09762368

Place : Kolkata

Date : 09.08.2024

ANNEXURE- II TO THE DIRECTORS' REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY

The philosophy of the company in relation to corporate governance is to ensure transparency, disclosures and reporting and to promote ethical conduct throughout the organization. It recognizes that the Board is accountable to shareholder and each member of the Board owes his first duty to protect and further the interest of the Company.

VISION

The Company has a vision to increase its operational horizon by expanding the existing business to provide better services to its customer and to make the company competitive.

MISSION

The Mission of the Company is to generate "Wealth from Waste".

OBJECTIVES

The Company's objective is to remain a market leader in the field of waste recycle management in the steel industry.

BOARD OF DIRECTORS:

COMPOSITION :

The Composition of the Board as on 31.03.2024 was consisting of Shri Manobendra Ghoshal (DIN: 09762368) as Chairman and Managing Director, Smt. Bhanu Kumar (DIN: 7982360) as nominee Director of MSTC Limited, Shri Ashwini Kumar (DIN-07598593) as Government Nominee Director and Shri Adya Prasad Pandey (DIN: 09347851) as non-official (Independent) Director.

None of the Directors on the Board is member in more than Ten (10) committees or acts as Chairman of more than Five (5) committees across all the companies in which he is a director.

BRIEF INFORMATION OF THE NEWLY APPOINTED DIRECTORS.

Shri Manobendra Ghoshal

Shri Manobendra Ghoshal (DIN: 09762368) has assumed charge as Chairman and Managing Director of FSNL on 02.01.2024. Shri Manobendra Ghoshal, a distinguished professional from the Indian Railways Service of Mechanical Engineers (SCRA 1985 batch) and a Fellow of the Institution of Engineers (India), has over 33 years of comprehensive expertise in the railways sector. In his career spanning 23 years with Indian Railways and 10 years with RITES Ltd., he has held various leadership positions, showcasing exceptional strategic vision and operational acumen. Shri Ghoshal's academic foundation includes a Bachelor of Engineering degree from the Institution of Engineers of India (IEI), Kolkata. In RITES, he has worked in the production, operation, maintenance, and marketing of rolling stock, transport infrastructure, and related services for Export customers. He spearheaded the exports of trainsets, coaches and locomotives to Sri Lanka from 2016 onwards, securing orders of over 200 million USD and subsequent execution. He has also headed the Transaction Advisory domain for RITES. With a rich background in the Indian Railways, Shri Ghoshal has held key positions throughout his career, gaining extensive exposure to workshop management, rolling stock operation, design and production of rolling stock, as well as policy and planning functions of rolling stock acquisition for the Railways. He has led transformative projects such as technology transfer and indigenization of modern electric locomotives and managed complex workshops tackling technology upgradation, facility realignment, and human capital issues through reskilling and restructuring.

Shri Ashwini Kumar

Shri Ashwini Kumar, (DIN: 07598593) holds a degree in MA Economics, from Jawahar Lal Nehru University and also holds M.Phil degree from the same University. He is an Officer of the Indian Economic Service (IES) and has been involved in the formulation of public policies, macroeconomic policies in particular. At present, he is an Economic Adviser at, the Ministry of Steel, Government of India. He has a rich work experience of more than 19 years in various fields of administration, public policy, public finance, development economics and econometrics.

DIRECTORSHIP HELD BY THE DIRECTORS:

Shri Manobendra Ghoshal (DIN: 09762368), Chairman-cum-Managing Director also holding the position of Chairman-cum-Managing Director of MSTC Limited and Directorship in Mahindra MSTC Recycling Private Limited.

Smt. Bhanu Kumar (DIN: 07982360), Nominee Director is also functioning as Whole- time Director (Commercial) in MSTC Limited.

Shri Adya Prasad Pandey (DIN: 09347851), a Non-Official (Independent) Director is also functioning as a Non-Official (Independent) Director of MSTC Limited.

Shri Ashwini Kumar (DIN- 07598593) as Government Nominee Director is also functioning as a Government Nominee Director of MSTC Limited

REMUNERATION TO THE DIRECTORS

The Independent, Government Nominee and Nominee Director of MSTC Limited do not have any material pecuniary relationship or transactions with the Company. However, the Independent Director is paid the sitting fees at a rate fixed by the Board within the limits as prescribed under the Companies Act, 2013 and daily allowance for attending the meetings of the Board and Committees of Directors. Presently sitting fee of Rs. 15,000/- is being paid to the Independent Director for attending each meeting of the Board and Committees of Directors.

The Government Nominee and Nominee Director of MSTC Limited are not entitled to any remuneration or sitting fee from the Company.

And, as regards the remuneration of the Managing Director, the pay scale of the Managing Director and terms of appointment are fixed by the Ministry of Steel on appointment.

Board / Committee Meetings and Procedure:

- a) Scheduling and selection of Agenda items for Board / Committee Meetings.
 - i) The Meetings are scheduled in consonance with the approval of all the Directors and by giving appropriate notice after requisite approval of the Chairman of the Board/Committee or Managing Director. The Board of Directors ratifies rescheduling the time and venue of the meeting and shorter notice (if any) in accordance with the provisions of the Companies Act, 2013 and Secretarial Standard. The Detailed agenda, management reports and other explanatory statements are circulated in advance amongst the members to facilitate meaningful, informed and focused decisions at the meetings. The Board also passes Resolution by circulation for the permissible business items.
 - ii) The agenda papers are prepared by the concerned head of the department and submitted to the Managing Director for obtaining approval. Duly approved agenda papers are circulated amongst the Board members by the Company Secretary.
 - iii) Under certain circumstances additional or supplementary item(s) on the agenda are taken up for discussion with the permission of the Chairman and majority of Directors including one Independent Director.
- b) **Compliances:**

Each Head of the Department ensures adherence to the provisions of applicable of laws, rules, guidelines etc. pertaining to their domain.

BOARD MEETING & ATTENDANCE :

During the financial year ended on 31st March 2024, eight board meetings were held and the maximum time gap between any two meetings was not more than one hundred and twenty days.

Details of the Directors attendance at the Board Meetings of the company held in the financial year 2023-2024.

Name of Director	Shri Manobendra Ghoshal (DIN: 09762368)	Smt. Bhanu Kumar (DIN: 07982360)	Shri Ashwini Kumar (DIN: 07598593)	Shri Adya Prasad Pandey (DIN:09347851)	Shri Surinder Kumar Gupta (DIN: 08643406)	Shri Arun Kumar Kailoo (DIN: 07521092)
197 th Board Meeting held on 18.05.2023	NA	Attended	NA	Attended	Attended	Attended
198 th Board Meeting held on 07.07.2023	NA	Attended	NA	Attended	Attended	Attended
199 th Board Meeting held on 08.08.2023	NA	Attended	NA	Attended	Attended	Attended
200 th Board Meeting held on 27.09.2023	NA	Attended	NA	Attended	Attended	Attended
201 st Board Meeting held on 01.11.2023	NA	Attended	NA	Attended	Attended	Attended
202 nd Board Meeting held on 05.02.2024	Attended	Attended	NA	Attended	NA	NA
203 rd Board Meeting held on 14.02.2024	Attended	Attended	Attended	Attended	NA	NA
204 th Board Meeting held on 28.03.2024	Attended	Attended	Attended	Attended	NA	NA

Note:-

1. Shri Manobendra Ghoshal (DIN: 09762368) has been appointed as Chairman-cum-Managing Director, and Shri Ashwini Kumar (DIN- 07598593) as Government Nominee Director w.e.f 01.01.2024 and 09.02.2024 respectively.
2. Shri Surinder Kumar Gupta (DIN: 08643406) has ceased to be chairman and Managing director and Shri Arun Kumar Kailoo (DIN: 07521092) ceased to be Government Nominee Director w.e.f 31.12.2023 and 01.02.2024 respectively

Information placed before the Board of Directors:

The Board of Directors has complete access to information within the Company. The information inter alia regularly supplied to the Board includes:

- Annual operating plans and Budgets and any updates.
- Capital Budget, Revenue Budget and any updates.
- Periodical physical and financial performance of the company.
- Formation / Reconstitution of Board Committees
- Appointment, change in nomination and resignation of Directors and KMP.
- Dividend declaration.
- Significant changes in accounting policies and internal controls.
- Minutes of the Meeting of the Board and other Committees of the Board of the company.
- Periodical details of investment made.
- Disclosure of interest by Directors.
- Any Significant development in Human Resources / Industrial Relations viz wage agreement, Additional Resource Generation Scheme.
- The information on legal cases pending in different courts.
- The information on pending cases under fiscal laws such as Service Tax, VAT, Income Tax etc.
- Action Taken Report.
- Approval of quarterly and annual accounts, analysis of Sundry debtors, Survey of Assets.
- Pending dues of MSME, statutory dues and salary/ wages of Employees, Quarterly Statutory Compliance reports.
- Corporate Plan.

GENERAL BODY MEETINGS HELD DURING THE LAST THREE YEARS

Type of Meeting	Date	Time	Venue	Special Resolution Passed
42 nd AGM	22 nd September, 2021	11.30 A.M.	Registered Office, Bhilai, Chhattisgarh	Nil
43 rd AGM	16 th September, 2022	11.30 A.M.	Registered Office, Bhilai, Chhattisgarh	Nil
44 th AGM	05 th September, 2023	11.30 A.M.	Registered Office, Bhilai, Chhattisgarh	Nil

Shri Surinder Kumar Gupta, Chairman and Managing Director, Shri Arun Kumar Kailoo, Govt. Director, Smt. Bhanu Kumar, Nominee Director and Shri Adya Prasad Pandey, Independent Director were present at the 44th Annual General Meeting of the Company held on 05th September 2023.

COMMITTEES OF THE BOARD

The Audit Committee, Nomination and Remuneration Committee were dissolved w.e.f. 05.02.2024 to 13.02.2024 due to improper constitution of the Board. Due to the vacancy of Non-official Director functions of these committees were undertaken by the Board of Directors of FSNL.

Upon induction of Shri Ashwini Kumar as Government Nominee Director the Board of Directors reconstituted the Audit Committee, CSR Monitoring Committee and Nomination & Remuneration Committee w.e.f. 14.02.2024. The Board of Directors constitutes three Board level committees: Audit Committee, CSR Monitoring Committee and Nomination and Remuneration Committee.

AUDIT COMMITTEE:

The Board of Directors of the Company at its meeting held on 05.02.2024 have dissolved the Audit Committee and suggested that pending the appointment of Non-official Director, all the functions of the Audit Committee of FSNL be exercised by the

Board of Directors. Upon induction of Shri Ashwini Kumar as Government Nominee Director the Board of Directors have reconstituted the Audit Committee, w.e.f. 14.02.2024.

The composition of the Audit Committee during the financial year 2023-2024 is given below:

Name of Member	Designation	Category
Shri Adya Prasad Pandey (DIN:09347851)	Chairman	Independent Non-Executive Director
Smt. Bhanu Kumar (DIN: 07982360)	Member	Nominee Director
Shri Ashwini Kumar (DIN- 07598593) w.e.f 09.02.2024	Member	Non-Executive Director
Shri Arun Kumar Kailoo (DIN- 07521092) Upto 01.02.2024	Member	Non-Executive Director

The members of the Audit Committee are financially literate and possesses expertise in accounting and financial management. The Company Secretary serves as the Secretary to the Audit Committee. The terms of reference of the Committee are in line with the DPE Guidelines issued on Corporate Governance. During the financial year ended on 31st March, 2024, five meetings of the Audit Committee were held. The following table gives details of meeting and attendance of the Audit Committee Members:

Name of Director	Shri Adya Prasad Pandey (DIN: 08365082)	Smt. Bhanu Kumar (DIN: 07982360)	Shri Ashwini Kumar (DIN- 07598593)	Shri Arun Kumar Kailoo (DIN: 07521092)
50th Meeting held on 18.05.2023	Attended	Attended	NA	Attended
51st Meeting held on 08.08.2023	Attended	Attended	NA	Attended
52th Meeting held on 01.11.2023	Attended	Attended	NA	Attended
53rd Meeting held on 05.02.2024	Attended	Attended	NA	NA

The Audit Committee had not complied the criteria regarding the minimum number of Independent Directors as laid down under the Guidelines issued by Department of Public Enterprise as well as the provisions of the Companies Act, 2013.

Note: - Shri Ashwini Kumar (DIN- 07598593) appointed as Government Nominee Director w.e.f 09.02.2024 and Shri Arun Kumar Kailoo (DIN: 07521092) ceased to be Government Nominee Director w.e.f 01.02.2024.

CSR MONITORING COMMITTEE:

The Board of Directors of the Company at its meeting held on 05.02.2024 have dissolved the CSR Monitoring Committee and suggested that pending the appointment of Non-official Director, all the functions of the CSR Monitoring Committee of FSNL be exercised by the Board of Directors. Upon induction of Shri Ashwini Kumar as Government Nominee Director the Board of Directors have reconstituted the CSR Monitoring Committee, w.e.f. 14.02.2024.

The composition of the CSR Monitoring Committee during the financial year 2023-2024 is given below:

Name of Member	Designation	Category
Shri Adya Prasad Pandey (DIN:09347851)	Chairman	Independent Non-Executive Director
Smt. Bhanu Kumar (DIN: 07982360)	Member	Nominee Director
Shri Ashwini Kumar (DIN- 07598593) w.e.f 09.02.2024	Member	Non-Executive Director
Shri Arun Kumar Kailoo (DIN- 07521092) Upto 01.02.2024	Member	Non-Executive Director

During the financial year ended on 31st March 2024, one meetings of the CSR Monitoring Committee were held as detailed below:

Name of Director	Shri Adya Prasad Pandey (DIN: 08365082)	Smt. Bhanu Kumar (DIN: 07982360)	Shri Ashwini Kumar (DIN- 07598593)	Shri Arun Kumar Kailoo (DIN: 07521092)
30th Meeting held on 08.08.2023	Attended	Attended	NA	Attended

Based on the recommendation of the CSR Monitoring Committee, the Corporate Social Responsibility Policy (CSR Policy) has been adopted by the Company.

The CSR Policy of the company is available on the website of the company at [www.fsnl.nic.in](http://www.fsnl.nic.in/pdf/CSR_Policy.pdf) at web link http://www.fsnl.nic.in/pdf/CSR_Policy.pdf.

The terms of reference of the CSR Monitoring Committee are in line with the applicable DPE Guidelines issued on Corporate Governance.

Note: - Shri Ashwini Kumar (DIN- 07598593) appointed as Government Nominee Director w.e.f 09.02.2024 and Shri Arun Kumar Kailoo (DIN: 07521092) ceased to be Government Nominee Director w.e.f 01.02.2024.

NOMINATION AND REMUNERATION COMMITTEE:

(Formerly known as Remuneration Committee)

The Board of Directors of the Company at its meeting held on 05.02.2024 have dissolved the Nomination & Remuneration Committee and suggested that pending the appointment of Non-official Director, all the functions of the Nomination & Remuneration Committee of FSNL be exercised by the Board of Directors. Upon induction of Shri Ashwini Kumar as Government Nominee Director the Board of Directors have reconstituted the CSR Monitoring Committee, w.e.f. 14.02.2024.

The composition of the Nomination & Remuneration Committee during the financial year 2023-2024 is given below:

Name of Member	Designation	Category
Shri Adya Prasad Pandey (DIN:09347851)	Chairman	Independent Non-Executive Director
Smt. Bhanu Kumar (DIN: 07982360)	Member	Nominee Director
Shri Ashwini Kumar (DIN- 07598593) w.e.f 09.02.2024	Member	Non-Executive Director
Shri Arun Kumar Kailoo (DIN- 07521092) Upto 01.02.2024	Member	Non-Executive Director

During the financial year ended on 31st March 2024, four meeting of the Nomination & Remuneration Committee were held as detailed below:

Name of Director	Shri Adya Prasad Pandey (DIN: 08365082)	Smt. Bhanu Kumar (DIN: 07982360)	Shri Ashwini Kumar (DIN- 07598593)	Shri Arun Kumar Kailoo (DIN: 07521092)
25th Meeting held on 18.05.2023	Attended	Attended	NA	Attended
26th Meeting held on 07.07.2023	Attended	Attended	NA	Attended
27th Meeting held on 30.01.2024	Attended	Attended	NA	Attended
28th Meeting held on 28.03.2024	Attended	Attended	Attended	NA

The Nomination and Remuneration Committee has not complied the criteria regarding the minimum number of Independent Directors as laid down under the Guidelines issued by Department of Public Enterprise as well as the provisions of the Companies Act, 2013.

Note: - Shri Ashwini Kumar (DIN- 07598593) appointed as Government Nominee Director w.e.f 09.02.2024 and Shri Arun Kumar Kailoo (DIN: 07521092) ceased to be Government Nominee Director w.e.f 01.02.2024.

SEPARATE MEETING OF INDEPENDENT DIRECTORS:

As there was only one Independent Non-Executive Director, the separate meeting of Independent Directors did not take place in the FY 2023-24.

Compliance with Accounting Standards:

Financial statements have been prepared in accordance with relevant Accounting Standard issued by the Institute of Chartered Accountants of India.

INTERNAL CONTROLS

The company has an efficient system of internal control for achieving the business objectives of the company which inter-alia includes accuracy and promptness of financial reporting. Efficiency of operations, compliance with the laid down policies and procedures and compliance with law and regulations.

To ensure independence to the internal audit function emphasizing transparency in the systems and internal controls, the internal audit of the company is entrusted to independent external firms of Chartered Accountants. The reports of Internal Audit are periodically submitted to the management for appraisal, improvement and remedial measures, if any.

CODE OF CONDUCT:

The company has designed a comprehensive model code of Business Conduct and Ethics for Board Members and Senior Management personnel of the company in accordance with the Guidelines on Corporate Governance by DPE. The code is circulated to all the directors and members in the senior management of the company. The code of conduct is available on the website of the company www.fsnl.nic.in. All Board members and designated senior management personnel have affirmed compliance with the Code of Conduct. A declaration to this effect signed by the Chairman and Managing Director is given at the end of this report.

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

In compliance with Corporate Governance Guidelines, the Board Members and the Senior Management Personnel have confirmed compliance with the MODEL CODE OF BUSINESS CONDUCT AND ETHICS for the Financial Year 2023-24.

Place : Kolkata
Date : 09.08.2024

Sd/-
Manobendra Ghoshal
Chairman and Managing Director
DIN: 09762368

IG & Associates

Company Secretaries

Office: 608-A, The One, 5, R.N.T. Marg, Indore-452001(M.P.)

E-mail: igassociatescs@gmail.com, Mob: 09009403008

ISHA GARG

B.Sc, FCS, MBA

CORPORATE GOVERNANCE CERTIFICATE

To,
The Members of
Ferro Scrap Nigam Limited
Registered Office: FSNL Bhawan,
Equipment Chowk Central Avenue,
Bhilai, Durg, Dist: Durg, Chattisgarh, India, 490001
CIN: U27102CT1979GOI005468

I, have examined the compliance of conditions of Corporate Governance by M/s Ferro Scrap Nigam Limited (CIN:U27102CT1979GOI005468) ("the company" or "FSNL") for the year ended 31st March, 2024, as stipulated in Guidelines on Corporate Governance ("the guidelines") for Central Public Sector Enterprises (CPEs) issued, by the Department of Public Enterprises (DPE), Government of India ("DPE Guidelines").

1. The compliance of conditions of Corporate Governance is the responsibility of the management. My examination has been limited to review of procedures and implementation thereof, adopted by the Company, for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company. It is limited purpose certificate issued as per the DPE guidelines.
2. In my opinion and the best of my information and according to the explanation given to me, I certify that during the financial year ended 31st March, 2024, the Company has complied with applicable conditions of Corporate Governance as stipulated in DPE Guidelines except the provisions relating to the following.
 - i. *Composition of Board of Directors.*
 - ii. *Composition of Audit Committee.*
 - iii. *Composition of Nomination and Remuneration Committee.*
 - iv. *The Audit Committee, Nomination and Remuneration Committee were dissolved w.e.f. 05.02.2024 to 13.02.2024 due to improper constitution of Board. Audit committee, and Nomination and Remuneration Committee were re-constituted on 14.02.2024.*

Further, the company has explained the FSNL being a Government Company, the Director(s) are appointed by the president of India, acting through administrative ministry, i.e., Ministry of Steel and this is beyond the control of the Company.

3. I further state that such compliance is neither an assurance as to the further viability of the company nor the efficiency or effectiveness with which the Management has conducted the affairs of the company.

FOR IG & ASSOCIATES
COMPANY SECRETARIES
F.R. NO.: I2013MP1054000

ISHA GARG
(PROPRIETOR)
M. NO: FCS 9955 CP: 12184
PEER REVIEW NO.: 914/2020
UDIN: F009955F000242352
PLACE: BHILAI
DATE : 25.04.2024

ANNEXURE – III ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR FINANCIAL YEAR 2023-24

1. Brief outline on CSR Policy of the Company.

VISION

In alignment with vision of the company, FSNL, through its CSR initiatives, will continue to enhance value creation in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustained growth for the society and community, in fulfillment of its role as a Socially Responsible Corporate, with environmental concern.

OBJECTIVES

With the above vision, FSNL has formulated a CSR policy with the main objectives of directly or indirectly taking up programmes that benefit the communities in & around its work centers, which will result in enhancing the quality of life & economic well-being of the local population, to generate a community goodwill for FSNL and help reinforce a positive & socially responsible image of FSNL as a Corporate entity, to ensure an increased commitment at all levels in the organization, etc.

ALLOCATION OF FUND

Effective from 01.04.2014, at least 2.0% of the average net profits of the company made during the three immediately preceding financial years, shall be spent in each financial year towards discharge of Corporate Social Responsibility.

SELECTION & NEED ASSESSMENT OF CSR PROJECTS

The Selection of CSR & Sustainability project / activities depend upon the local needs as may be determined by the need identification studies or discussions with District Administration / local government / bodies / citizen's forums / NGOs/Trusts / Societies / Beneficiaries etc and the requests / applications are scrutinized and screened by the Corporate level CSR Committee.

The need assessment / baseline survey is carried out through in-house expertise and recourses.

APPROVAL OF CSR PROJECTS/ACTIVITIES

All the CSR projects / activities are recommended by the CSR Monitoring Committee and thereafter approved by the Board of Directors.

2. Composition of CSR Monitoring Committee:

During Financial Year 2023-24, Board Level Committee was constituted for CSR which was headed by an Independent Director. The Composition of the Committee is decided by the Board of Directors of the Company. The details of the Committee and meetings held during the year are as follows:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meeting of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri Adya Prasad Pandey	Chairman (Independent Non-Executive Director)	1	1
2.	Smt. Bhanu Kumar	Member (Non-Executive Director)		1
3.	Shri Ashwini Kumar	Member (Non-Executive Director)		0

Note:- Shri Arun Kumar Kailoo relinquished the charge of Government Director in FSNL Board of Directors w.e.f. 01.02.2024, upon his superannuation from the post of Director of Ministry of Steel on 31.01.2024. Subsequently, after the appointment of Shri Ashwini Kumar as the Government Nominee Director on the Board of FSNL, the CSR Monitoring Committee has been reconstituted as above w.e.f. 14.02.2024.

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

(a)	Composition of CSR committee	http://fssl.nic.in/CUCG.php
(b)	CSR Policy	http://fssl.nic.in/pdf/CSR_Policy.pdf
(c)	CSR projects	Not Applicable (As FSNL has contributed an amount of Rs. 5 Crores on 02.04.2020, to Prime Ministers Citizen Assistance and Relief in Emergency Situation Fund towards relief to the COVID 19 affected people.)

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014 if applicable (attach the report):
Not Applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (Rs. in Lakh)	Amount required to be set off for the financial year, if any (Rs. in Lakh)
1	2023-24	264.00	92.00
	Total	264.00	92.00

6. Average net profit of the company as per section 135(5) (Rs. in Lakh): 4586.24

7. Details of CSR obligation for the financial year.

Sl. No.	Particulars	Amount (Rs. in Lakh)
(a)	Two percent of average net profit of the company as per section 135(5)	91.72 (Rounded off to 92.00)
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial year,	Nil
(c)	Amount required to be set off for the financial year, if any	92.00
(d)	Total CSR obligation for the financial year	92.00

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

Total Amount Spent for the Financial Year. (Rs in Lakhs)	Amount Unspent (Rs. in Lakh)				
	Total amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount.	Date of transfer	Name of the Fund	Amount	Date of transfer
92.00*	NIL		NIL		

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project	Project duration	Amount allocated for the project (in Rs.)	Amount spent to the current financial year (in Rs.)	Amount transferred to unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of implementation on Direct (Yes/No)	Mode of Implementation through Implementing Agency
				State	District					Name CSR Registration number
1	NIL*									
	TOTAL	NIL								

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project	Amount spent for the project (in Rs.)	Mode of implementation on Direct (Yes/ No.	Mode of implantation through implementing agency
				State	District		Name CSR registration number
1	NIL*						
	Total	NIL					

- (d) Amount spent in Administrative Overheads : NIL
- (e) Amount spent on Impact Assessment, if applicable : Not Applicable
- (f) Total amount spent for the Financial Year (8b+8d+8e) : 92.00 Lakhs
- (g) Excess amount for set off, if any

Sl. No.	Particular	Amount (Rs. in Lakh)
(i)	Two percent of average net profit of the company as per section 135(5)	91.72 (Rounded off to 92.00)
(ii)	Total amount spent for the Financial Year	92.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial year, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

***Note:-** Pursuant to the provision of Section 135 of the Companies Act, 2013 and rules made thereunder and in consonance with the directions of Ministry of Steel, communication of Ministry of Steel and Office Memorandum no. CSR-05/1/2020-CSR-MCA dated 28.03.2020 read together with appeal of Secretary, Ministry of Corporate Affairs dated 30.03.2020 FSNL has contributed Rs. 5 Crore on 02.04.2020 to Prime Ministers' Citizen Assistance and Relief in Emergency Situations Fund i.e. "PM CARES Fund" with primary objective for dealing with any kind of emergency or distress situation such as that posed by COVID-19 pandemic. As per Board resolution, contribution of Rs. 5 Crores made by FSNL to PM CARES will be offset against the CSR obligation of FSNL arising in subsequent years w.e.f. 2020-21. The CSR obligation of Rs. 92.00 Lakhs for FY 2023-24 was offset from the excess contribution of Rs. 264.00 Lakhs made by FSNL to PM CARES Fund in the FY 2020-21.

9. (a) Details of Unspent CSR amount for preceding three financial year:

Sl. No.	Preceding Financial Year	Amount transferred to unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.	Amount transferred to any fund specified under Schedule VII as per section 135 (6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amt. (in Rs.)	Date of Transfer.	
1.	NIL						

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Sl. No.	Project ID.	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project Completed / Ongoing
1	NIL								
	TOTAL	NIL							

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

(asset-wise details).

- (a) Date of creation or acquisition of the capital asset(s) : Not applicable
- (b) Amount of CSR spent for creation or acquisition of capital asset. : NotApplicable
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : NotApplicable

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

Sd/-
(Shri Pankaj Tyagi)
GM (P&A)/Law

Sd/-
(Shri Manobendra Ghoshal)
Chairman and Managing Director

Sd/-
(Shri Adya Prasad Pandey)
Chairman of CSR Monitoring
Committee

ANNEXURE – IV TO THE DIRECTORS' REPORT

IG & Associates

Company Secretaries

Office: 608-A, The One, 5, R.N.T. Marg, Indore-452001(M.P.)

E-mail: igassociatescs@gmail.com, Mob: 09009403008

ISHA GARG

B.Sc, FCS, MBA

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members of
Ferro Scrap Nigam Limited
Registered Office: FSNL Bhawan,
Equipment Chowk Central Avenue,
Bhilai, Durg, Dist: Durg, Chattisgarh, India, 490001
CIN: U27102CT1979GOI005468

I, have conducted the Secretarial Audit of the compliance applicable statutory provisions and the adherence to good corporate practices by Ferro Scrap Nigam Limited having CIN: U27102CT1979GOI005468 (hereinafter called "the Company" or "FSNL") Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanation and clarification given to me and the representation made by the management. I hereby report that in my opinion the company has during the audit period covering the financial year ended on 31st March, 2024 generally complied with the statutory provisions listed hereunder and also that the company has proper board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I, have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under read with modifications, exemptions and clarifications thereto;
- (ii) The Securities Contracts (Regulation) Act 1956 ('SCRA') and the rules made there under; the Company is being an unlisted Company during the Audit period. The Securities Contracts (Regulation) Act 1956 ('SCRA') and the rules made there under are not applicable to the Company during the financial year under review.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under;
- (iv) The Foreign Exchange Management Act, 1999 and the rules made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. (Not applicable to the Company as there was no reportable event during the financial year under review.)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act 1992 ('SEBI Act'): (The Company being an unlisted Company during the Audit Period the following Regulations and Guidelines are not applicable the Company.)
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011, as amended from time to time. Not Applicable.
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time. Not Applicable.
 - (c) The Securities and Exchange Board of India (Issue of capital and Disclosure Requirements) Regulations 2018, as amended from time to time. Not Applicable.

- (d) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulation, 2014. Not Applicable.
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021. Not Applicable.
- (f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client. Not Applicable.
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021. Not Applicable.
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. Not Applicable.
- (vi) Guidelines on Corporate Governance for Central Public Sector Enterprise, 2010 as issued by the Department of Public Enterprises, Government of India ('DPE Guidelines')

During the period under review the company has generally complied with the provisions of specific Laws applicable to the company. The Management has identified and confirmed that following laws are specifically applicable to the company. I have obtained representation/certificate for compliances applicable laws and I rely on the same.

- i. The Factories Act, 1948
- ii. The Industrial Disputes Act, 1947
- iii. The Payment of Wages Act, 1936
- iv. The Minimum Wages Act, 1948
- v. The Employees State Insurance Act, 1948
- vi. The Employees Provident Fund and Miscellaneous Provisions Act, 1952
- vii. The Payment of Bonus Act, 1965
- viii. The Payment of Gratuity Act, 1972
- ix. The Contract Labour (Regulation and Abolition) Act, 1970
- x. The Maternity Benefit Act, 1961
- xi. The Child Labour (Prohibitions and Regulation) Act, 1986
- xii. The Industrial Employment (Standing Order) Act, 1946
- xiii. The Employees Compensation Act, 1923 (Workman's Compensation Act, 1923)
- xiv. The Apprentices Act, 1961
- xv. The Equal Remuneration Act, 1976
- xvi. The Employment Exchange (Compulsory Notification of Vacancies Act, 1959
- xvii. The Sexual Harassment of Woman at workplace (Prevention, Prohibition and Redressal) Act, 2013.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standard issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with the Exchange read with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended from time to time. *The Company is not a listed entity hence provisions of this regulations are not applicable to the company.*

During the period under review and as per explanation and representation made by management and subject to clarification given to me the company has generally complied with the provision of the Act, Rules, Regulations, Guidelines, etc. mentioned hereinabove, subject to the following observations:

- a) During the financial year 2023-24, the constitution of Board of Directors was improper as only one Independent Director has been appointed by the Ministry of Steel w.e.f. 18.04.2022. To have proper constitution of Board, Audit committee and Nomination and Remuneration Committee, one more Independent Director are required to be appointed in Ferro Scrap Nigam Limited.
- b) The Audit Committee, Nomination and Remuneration Committee were dissolved w.e.f. 05.02.2024 to 13.02.2024 due to improper constitution of Board. Audit committee, and Nomination and Remuneration Committee were re-constituted on 14.02.2024.
- c) The Company has generally filed forms, returns, documents, resolutions and intimations required to be filed with The Registrar of Companies, Regional Director and Central Government on time. However in some forms were filled with additional fees. However, it is informed by the company that the delay in filing of e-forms was mainly due to late receipt of approval from CAG, consent of Statutory Auditor and technical glitches on MCAe-filing portal.

I further report that:

M/s Ferro Scrap Nigam Limited is a Private Limited Company and is a wholly owned subsidiary of MSTC Limited as on

31.03.2024, the Board of Directors of the Company is constituted with proper balance of Executive Director, Non- Executive Directors and Independent Directors subject to observation hereinabove.

The changes in composition of the Board of Directors that took during the period under review were carried out in compliance with the provision of the Act.

Adequate notice is given to all directors to schedule the Board Meeting and all instances of dispatch of notice or agenda for shorter period were ratified by the Board/Committee and recorded in the minutes. Further a system exist for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at the Meeting of the Board of Directors of the Company, including the resolution approved through circulations, were carried through on the basis of majority, and dissenting members, views, where any, were recorded as part of the minutes.

I further report that:

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that:

The Compliance by the company for the applicable financial Laws like Direct Taxes, Indirect Tax, and the Compliance of the Accounting Standards and the Annual Financial Statements and records has not been reviewed in this audit report, since the same have been subject of the statutory financial audit/internal audit by other designated professional.

I further report that:

During the audit period, there was no events occurred having major bearing on the Company's affairs in pursuance of the above applicable laws, rules, regulations, guidelines, standards etc. referred to above except:

- a) *The company is providing scrap recovery and allied services mainly to steel CPSEs on a nomination basis. The nomination policy was quashed by the Hon'ble Calcutta High Court via its order dated January 25, 2019 i.e., WPA33074 of 2013. However, FSNL has filed an appeal, which was stayed by an order dated April 1, 2019 and the existing system of awarding work to FSNL on a nomination basis will continue until the disposal of the appeal. The Inter-Ministerial Group (IMG) has directed to award works on FSNL on competitive bidding rather than on a nomination basis by steel plants of CPSEs in its meeting dated September 4, 2020, which was challenged by Durgapur Ferro Scrap Nigam Limited Permanent Employee Union vide WPA No. 8958 of 2020 before Calcutta High Court. The Hon'ble Calcutta High Court, vide its order dated January 29, 2021, directed that the existing system of awarding work to FSNL on a nomination basis not be disturbed. This petition is also subjudice and pending for further hearings.*
- b) *Ferro Scrap Nigam Limited is wholly owned subsidiary of MSTC Limited and the shareholders of MSTC Limited (Holding Company) in their Extra-ordinary General Meeting dated 22.10.2021 have decided to sale the entire stake in Ferro Scrap Nigam Limited (FSNL). Accordingly, the process for sale has already started which is at advance stage.*

FOR IG & ASSOCIATES
COMPANY SECRETARIES
F.R. NO.: I2013MP1054000

ISHA GARG
(PROPRIETOR)
M. NO: FCS 9955 CP: 12184
PEER REVIEW NO.: 914/2020
UDIN: F009955F000242275
PLACE: BHILAI
DATE : 25.04.2024

Note: *This report is to be read with our letter dated 25.04.2024 which is annex as (Annexure I) and forms and integral part of this report.*

IG & Associates

Company Secretaries

Office: 608-A, The One, 5, R.N.T. Marg, Indore-452001(M.P.)

E-mail: igassociatescs@gmail.com, Mob: 09009403008

ISHA GARG

B.Sc, FCS, MBA

Annexure – I

To,
The Members of
Ferro Scrap Nigam Limited
Registered Office: FSNL Bhawan,
Equipment Chowk Central Avenue,
Bhilai, Durg, Dist: Durg, Chattisgarh, India, 490001
CIN: U27102CT1979GOI005468

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial Records is the responsibility of the management of the company. Our responsibility is to express an opinion on these Secretarial Records based on our Audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. I believe that the processes and practices followed provide a reasonable basis for forming our opinion.
3. I have not verified the correctness and appropriateness of treatment of various tax liabilities and payment thereof compliance of the applicable IND-AS, financial records and Books of Accounts of the company as the same is subject to the Statutory Audit being performed by the Independent Auditors.
4. Wherever required, we have obtained the management representation/certificates/data Information about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, guidelines, standards etc., are the responsibility of management.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.
7. I do not take any responsibility for any person if taking any commercial, financial or investment decision based on our Secretarial Audit Report as aforesaid and they need to take independent advice or decision as per their own satisfaction.
8. I have relied on electronic and soft copies of documents as produced for verification of compliances of various laws.

**FOR IG & ASSOCIATES
COMPANY SECRETARIES
F.R. NO.: I2013MP1054000**

**ISHA GARG
(PROPRIETOR)
M. NO: FCS 9955 CP: 12184
PEER REVIEW NO.: 914/2020
UDIN: F009955F000242275
PLACE : BHILAI
DATE : 25.04.2024**

ANNEXURE – V TO THE DIRECTORS' REPORT

Form No. MGT-9 EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on 31.03.2024

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	U27102CT1979GOI005468
Registration Date	28/03/1979
Name of the Company	Ferro Scrap Nigam Limited
Category/Sub-Category of the Company	Company having Share Capital
Address of the Registered office and contact details	FSNL BHAWAN, Equipment Chowk, Central Avenue, Post Box-37 Bhilai-490001. Telephone: 0788-2222474 / 2222475. E-mail: fsnl.co@gov.in, web site: www.fsnl.nic.in
Whether listed company	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	KFIN TECHNOLOGIES LIMITED, Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serili, ngampally, Rangareddi, Hyderabad, Telangana, India, 500032, Telangana Phone No. 04079611000

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated: -

Sl. No.	Name and Description of main products/ services	NIC Code of the Product / service	% total turnover of the company
1.	Metal Waste & Scrap recovery (recycling) services on a fees or contract basis- processing of iron & steel scrap and slag handling including other mills services.	9989	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name & Address of the Company	CIN / GIL	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1	MSTC LIMITED Plot no.CF -18/2, Street No.175, Action Area 1 C Newtown, Parganas North, Kolkata, West Bengal, India, 700156	L27320WB1964GOI026211	Holding	100%	2(46)

IV. SHAREHOLDING PATTERN (Equity Share-Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change During the
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	

b)Central Govt (PSU)	32000000	Nil	32000000	100%	32000000	Nil	32000000	100%	Nil
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e)Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):	32000000	Nil	32000000	100%	32000000	Nil	32000000	100%	Nil
(2)Foreign	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
a)NRIs- individuals									
b)Other- Individuals									
c)Bodies Corp.									
d)Banks/FI									
e)Any Other									
Sub-total(A)(2):	-	-	-	-	-	-	-	-	Nil
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	32000000	Nil	32000000	100%	32000000	Nil	32000000	100%	Nil
B. Public Shareholding	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
1.Institutions									
a)Mutual Funds									
b)Banks / FI									
c)Central Govt.									
d)State Govt.(s)									
e)Venture Capital Funds									
f)Insurance Companies									
g)FIIs									
h)Foreign Venture Capital Funds									
i)Others (specify)									
Sub-total(B)(1):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change During the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2.Non- Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital uptoRs.1lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs1lakh									
c)Others(specify)									

Sub-total(B)(2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Public Shareholding (B)=(B)(1)+ (B)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	32000000	Nil	32000000	100%	32000000	Nil	32000000	100%	Nil

(ii) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding During the year
	No. of Shares having face value of Rs. 10/- each	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares having face value of Rs. 10/- each	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
MSTC LTD. (PSU)	32000000	100	NIL	32000000	100	NIL	Nil
Total	32000000	100	NIL	32000000	100	NIL	

Change in Promoters' Shareholding (please specify, if there is no change)

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	32000000	100%	32000000	100%
Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	No Change		N.A.	
At the End of the year	32000000	100%	32000000	100%

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters And Holders of GDRs and ADRs):

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
For Each of the Top 10 Shareholders				
At the beginning of the year	N.A.	N.A.	N.A.	N.A.

Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ Decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	No Change		N.A.	
At the End of the year(or on the date of separation, if separated during the year)	N.A.	N.A.	N.A.	N.A.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	None of the Directors and KMP holds any shares in FSNL.			
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/ sweat Equity etc):	No Change		N.A.	
	At the End of the year	Nil	Nil	Nil	Nil

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i)Principal Amount	Nil	Nil	Nil	Nil
ii)Interest due but not paid	Nil	Nil	Nil	Nil
iii)Interest accrued but not due	Nil	Nil	Nil	Nil
Total(i+ii+iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year · Addition · Reduction	No Change	No Change	No Change	No Change
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year				
i)Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total(i+ii+iii)	NIL	NIL	NIL	NIL

Note : The Company used overdraft facility amounting to Nil (previous year Nil) against Fixed Deposit with Indian Bank and IDBI Bank, Bhilai Branch to meet its working capital.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Particulars of Remuneration	Managing Director / Executive Director	Total Amount (Rs.)
Gross Salary		
(a) Salary as per provisions contained in Section 17(1) of Income Tax Act, 1961	-	-
(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	-	-
(c) Profits in lieu of Salary under section 17(3) of Income Tax Act, 1961	-	-
Stock Option	-	-
Sweat Equity	-	-
Commission	-	-
- as % of profit		
- others, specify		
Others, please specify	-	-
Total (A)		NIL

Note :

- FSNL has only one post for Functional Director. FSNL being a Government Company, appointment of Managing Director and fixation of his remuneration is decided by the President of India in terms of the provision of the Articles of Association of the Company.
- Shri Manobendra Ghoshal (DIN: 09762368), CMD-MSTC Limited is holding an additional charge of MD-FSNL w.e.f. 02.01.2024.

B. Remuneration to Non-Official Independent Directors:

Particulars of Remuneration	Shri Adya Prasad Pandey, Independent Director	Total Amount (Rs.)
1. Independent Directors		
· Fee for attending board and committee meetings	2,55,000.00	2,55,000.00
· Commission	-	-
· Others, please specify	-	-
Total (1)	2,55,000.00	2,55,000.00
2. Other Non-Executive Directors	N.A.	N.A.
· Fee for attending board committee meetings		
· Commission		
· Others, please specify		
Total (2)	0	0
Total (B)= (1+2)	2,55,000.00	2,55,000.00

- * The Non-Official Independent Directors were paid sitting fees within the limits as prescribed under the Companies Act, 2013.

Note : During the financial year 2023-24 no remuneration was paid by Company to any other Non-executive Director except Non-executive Independent Directors of the Company.

C. Remuneration to Key Managerial Personnel other than MD /Manager/ WTD

Particulars of Remuneration	Shri Satadal Mitra CFO*	Shri Sumit Kumar Roy CFO*	Shri Ashok Mishra CS*	Shri Nishant Agrawal CS*	Total
Gross Salary					
(a) Salary as per provisions Contained in Section17(1) of the Income-tax Act, 1961	18,52,694.00	23,05,774	16,81,562.00	1,13,195.32	5953225.32
(b) Value of perquisites u/s17(2) Income-tax Act, 1961	0	0	0	0	0
(c) Profits in lieu of Salary under section17(3) Income-tax Act, 1961	0	0	0	0	0
Stock Option	0	0	0	0	0
Sweat Equity	0	0	0	0	0
Commission - as % of profit -others, specify.	0	0	0	0	0
Others, please specify					
- HRA	31,606.00	2,34,987.00	1,72,381.00	0.00	438974.00
- Medical	21,357.00	98,634.00	63,477.00	0.00	183468.00
- Entertainment allowance	2,003.00	8,023.00	0	0.00	10026.00
- Performance Related Pay	9,22,139.00	2,10,469.00	3,22,294.00	0.00	1454902.00
Particulars of Remuneration	Shri Satadal Mitra CFO*	Shri Sumit Kumar Roy CFO*	Shri Ashok Mishra CS*	Shri Nishant Agrawal CS*	Total
Total	28,29799.00	28,57,887.00	22,39,714.00	1,13,195.32	80,40,595.32

Note:

1. Suitable disclosures to details of post-employment benefits and other long-term benefits are made in note no. 37 in the notes to the financial statements.
2. (*) Remuneration for Shri Satadal Mitra until 30.04.2023 and for Shri Sumit Kumar Roy from 18.05.2023. Remuneration for Shri Ashok Mishra until 26.02.2024 and for Shri Nishant Agrawal from 27.02.2024.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Sections of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD/NCLT/ COURT)	Appeal made, if any (give details)
A. COMPANY Penalty Punishment Compounding			NONE		
B. DIRECTORS Penalty Punishment Compounding			NONE		
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding			NONE		

For and on behalf of Board of Directors

Sd/-

Manobendra Ghoshal

Chairman and Managing Director

DIN: 09762368

Place : Kolkata

Date : 09.08.2024

ANNEXURE – VI



सत्यमेव जयते

कार्यालय महानिदेशक लेखापरीक्षा (इस्पात), राँची
Office of the Director General of Audit (Steel),
Ranchi - 834002

सं. मुख्यालय-I/वार्षिक लेखा/FSNL/78/2023-24/२५

दिनांक: 26.07.2024

सेवा में,

अध्यक्ष

फेरो स्क्रेप निगम लिमिटेड

एफ.एस.एन.एल. भवन, इक्विपमेंट चौक

सेंट्रल एवेन्यू, पोस्ट बॉक्स नं. 37

भिलाई - 490001 (छत्तीसगढ़)

विषय: 31 मार्च 2024 को समाप्त वर्ष के लिए फेरो स्क्रेप निगम लिमिटेड के वित्तीय विवरणी पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के तहत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

इस पत्र के साथ फेरो स्क्रेप निगम लिमिटेड का वर्ष 31 मार्च 2024 को समाप्त वित्तीय विवरणी पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) के तहत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ संलग्न हैं।

I am to forward herewith the Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the Financial Statements of Ferro Scrap Nigam Limited for the year ended 31 March 2024.

इस पत्र की पावती की अभिस्वीकृति वांछित है।

The receipt of this letter may please be acknowledged.

अनुलग्नक: यथोपरि।

भवदीय,

(जितेंद्र सुधाकर करपे)
महानिदेशक लेखापरीक्षा (इस्पात)
राँची

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF FERRO SCRAP NIGAM LIMITED FOR THE YEAR ENDED 31 MARCH 2024

The preparation of financial statements of Ferro Scrap Nigam Limited for the year ended 31 March 2024 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 21 May 2024.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Ferro Scrap Nigam Limited for the year ended 31 March 2024 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

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



**(J. S. Karape)
Director General of Audit (Steel)
Ranchi**

**Place: Ranchi
Date: 26.07.2024**

ANNEXURE – VII

V RAWAL & COMPANY
Chartered Accountants



SM-11, GAURAV PATH, PADAMANABHPUR,
DURG CHATTISHGARH –
mail : vrawalho@gmail.com

INDEPENDENT AUDITOR'S REPORT

To
The Members of
FERRO SCRAP NIGAM LIMITED
(CIN : U27102CT1979GOI005468)

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of FERRO SCRAP NIGAM LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including the Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows and notes to the financial statement for the year ended and a summary of significant accounting policies and other explanatory information (herein after referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 independence requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act and the Rules made there under, 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 audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and informing our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

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

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

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

Management's Responsibility for the Financial Statements

The Company's Management & Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management and Board of Directors are responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matter related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the entity's financial reposting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Companies Act 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- Conclude on the appropriateness of management's and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We 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 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. With respect to the other matter to be included in the Auditors Report in terms of the directions of the Comptroller and Auditor General of India (CAG) under section 143(5) of the Act and on the basis of our examination of the books and records of the company carried out in accordance with the generally accepted principles in India and according to the information and explanations given to us, we give in the "**Annexure –A**", statement of the matters specified in the directions of CAG.
2. As required by the Companies (Auditor's Report) Order,2020 (" the Order"), as amended , issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure –B**" a statement of the matters specified in paragraphs 3 and 4 of the order.
3. As required by Section 143(3) of the Act, based on our audit 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 Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) Section 164(2) of Act , i.e. written representation from directors regarding disqualification of Directors not applicable to Government Company ..
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure C**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- 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, 2021, 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 and the impact on its financial position in its Ind AS Financial Statements – Refer Note No. 38 of the Financial Statements.
 - ii. The Company did not have any long-term contracts, including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. 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 any kind of funds)by the Company to or in any persons or entities including foreign entities (“ Intermediaries “) with the understanding whether recorded in writing or otherwise , that the intermediary shall :
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (Ultimate Beneficiaries “) by or on behalf of the company or
 - provide any guarantee, security or the like to or on behalf of Ultimate Beneficiaries.
 - v. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities including foreign entities (“ Funding Parties “) with the understanding whether recorded in writing or otherwise , that the intermediary shall :
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (Ultimate Beneficiaries “) by or on behalf of the company or
 - provide any guarantee, security or the like to or on behalf of Ultimate Beneficiaries
 - vi. Based on such audit procedures as 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 (d) (i) and (d) (ii) contain any material misstatement.
 - vii. The Dividend declared during the year by the company is in compliance with section 123 of the Companies Act, 2013.
 - viii. Based on the information which includes test checks , performed by us on the company have used accounting software for maintaining their respective books of account for the financial year ended on 31st March, 2024 , which has a feature of recording of audit trails (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares . Further , during the course of audit, we have not come across any instance of the audit trail features being tampered with.

For V RAWAL & COMPANY

Chartered Accountants
FRN : 011303N

Place : DURG
Date : 21/05/2024

CA KIRTI KUMAR JAIN
(Partner)
Membership No.462792
UDIN : 29962792BKE4C6946

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

V RAWAL & COMPANY
Chartered Accountants



SM-11, GAURAV PATH, PADAMANABHPUR,
DURG CHATTISHGARH –
mail : vrawalho@gmail.com

Directions of the Comptroller and Auditor General of India (CAG) under section 143(5) of the Companies Act, 2013

S.No.	Directions	Reply
1.	Whether the company has system in place to process all the accounting transactions through IT system? 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.	FSNL process all accounting transaction through integrated Accounting package i.e. FAST Package. The company has also separate 2 nos IT package for Payroll and Inventories an are integrated in Accounting Package through J/Vs.
2.	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 ? If Yes, the financial impact may be stated.	FSNL has not taken any loan during the F.Y.2023-2024. Hence there is no 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.
3.	Whether funds received/receivable for specific schemes from central/state agencies were properly accounted for/utlized as per its term and conditions? List the cases of deviation.	During the F.Y. 2023-2024 FSNL has not received any fund for specific schemes from central/state agencies.

There is no financial implication relating to point no 1,2 & 3.

For V RAWAL & COMPANY
Chartered Accountants
FRN : 011303N

Place : DURG
Date : 21/05/2024

CA KIRTI KUMAR JAIN
(Partner)
Membership No.462792
UDIN : 29962792BKE4C6946

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

V RAWAL & COMPANY
Chartered Accountants



SM-11, GAURAV PATH, PADAMANABHPUR,
DURG CHATTISHGARH –
mail : vrawalho@gmail.com

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of FERRO SCRAP NIGAM LIMITED of even date)

To the best of our information and according to the explanations provided to us, by the Company and books of account and record examined by us in the normal course of audit, we state that :

- i. In respect of the Company's property, plant and equipment: right-of-use assets, intangible assets :
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) The Company has a regular program of verification to cover all the items of property, plant and equipment and right-of-use assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) The company is not having any owned immovable property however lease title deeds of leased immovable properties are held in the name of the company.
 - (d) The Company has not revalued any of its property, plant and equipment (including right-of-use assets), intangible assets during the year.
 - (e) No proceedings have been initiated during the year or pending against the company as at 31st March, 2024 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made there under.
- ii. a) The management has conducted physical verification of inventory at reasonable intervals during the year, in our opinion, the coverage and procedure of such verification by the management is appropriate. As informed to us, any discrepancies of 10% or more in the aggregate for each class of inventory were not noticed on such verification.
- b) The Company has not been sanctioned any working capital limits in excess of five crore rupees (at any point of time during the year), in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, the provisions of clause 3(ii) of the Order is not applicable to the company..
- iii. The company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans , secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses 3(iii) (a), to 3(iii)(f) and (c) of the order are not applicable to the Company and hence not commented upon.
- iv. The company has neither made any investment nor has it given any loans or provided guarantee or security and therefore the relevant provisions of section 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company , Accordingly , clause 3(iv) of the order is not applicable.
- v. The Company has not accepted deposits or amounts which are deemed to be deposits from the public. Accordingly clause 3 (v) of the Order are not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. In respect of statutory dues:
 - (a) In our opinion, The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.
 - (c) According to the information and explanation given to us and on the basis of our examinations of the record of the company, there are no statutory dues relating to Goods & Service Tax, Provident Fund, employees State Insurance, Income tax, duty of Custom or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute except the amount mentioned in Note No. 38 to the "Note on Accounts".
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) The company did not have any loans or borrowings from any lender during the year, Hence reporting under clause 3(ix)(a) of the order is not applicable to the company.

- (b) Company has not been declared willful defaulter by any bank or financial institution or other lender;
- (c) The company has not obtained any term loans during the year, Hence reporting under clause 3(ix)© of the order is not applicable to the company.
- (d) No funds raised on short term basis have been utilized for long term purposes;
- (e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;
- (f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x.** (a) The company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, the provisions of clause 3(x)(a) of the order are not applicable to the company and hence not commented upon.
- (b) According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the provisions of clause 3(x)(b) of the order are not applicable
- xi.** (a) No fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) No whistle-blower complaints have been received during the year by the company.
- xii.** In our opinion, The Company is not a Nidhi Company. Therefore, the provision of clause 3 (xii) of the order is not applicable to the company.
- xiii.** In our opinion, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.
- xiv.** (a) The Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the report of internal auditor for the period under audit.
- xv.** The Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi** a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- b) There is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii.** The company has not incurred any cash losses in the financial year and the immediately preceding financial year.
- xviii.** There has been no resignation of the statutory auditors of the Company during the year.
- xix.** On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is incapable 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. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx.** There are no unspent amount to be transferred to a fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section(5) of section 135 of the said Act.
- xxi.** The company does not have any amount remaining unspent under sub-section(5) of section 135 of the Companies Act, 2013 , Accordingly Para 3 clause (xx) (b) of the order is not applicable.

For V RAWAL & COMPANY
Chartered Accountants
FRN : 011303N

Place : DURG
Date : 21/05/2024

CA KIRTI KUMAR JAIN
(Partner)
Membership No.462792
UDIN : 29962792BKE4C6946

ANNEXURE “C” TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 3(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of FERRO SCRAP NIGAM LIMITED of even date)

Report on the 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 **FERRO SCRAP NIGAM LIMITED** (“the Company”) as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company 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. 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material

respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, 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.

For V RAWAL & COMPANY
Chartered Accountants
FRN : 011303N

Place : DURG
Date : 21/05/2024

CA KIRTI KUMAR JAIN
(Partner)
Membership No.462792
UDIN : 29962792BKE4C6946

FERRO SCRAP NIGAM LIMITED

Balance Sheet as at 31st March 2024

			₹ In Lakhs
	Note	As at 31st March 2024	As at 31st March 2023
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	5	8,116.96	7,422.88
(b) Capital work-in-progress	10	0.00	8.18
(c) Other Intangible assets	6	9.64	20.44
(d) Intangible assets under development	10	0.00	0.00
(e) Financial assets			
Other financial assets	7	45.34	26.19
(f) Deferred tax assets (net)	9	905.76	721.79
(g) Other non-current assets	8	623.51	1,605.84
(h) Assets classified as held for sale	15	252.92	224.41
Total Non-Current Assets		9,954.13	10,029.73
(2) Current Assets			
(a) Inventories	11	537.68	514.67
(b) Financial assets			
(i) Trade receivables	12	20,240.38	12,968.29
(ii) Cash and Cash Equivalents	13	2,553.62	2,722.00
(iii) Bank Balances Other Than(ii) Above	14	9,306.98	15,632.67
(iv) Other financial assets	7	617.42	1,082.24
(c) Other current assets	8	985.97	808.51
		34,242.05	33,728.38
Assets classified as held for sale	15	30.33	8.49
Assets Retired From Active Use	16	17.39	32.14
Total Current Assets		34,289.77	33,769.01
TOTAL ASSETS		44,243.90	43,798.74
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	17	3,200.00	3,200.00
(b) Other equity	18	22,578.67	18,690.00
Total equity		25,778.67	21,890.00
(2) Non-Current Liabilities			
Provisions	19	7,613.34	7,833.23
Total Non-Current Liabilities		7,613.34	7,833.23
(3) Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	20	0.00	0.00
(ii) Trade payables	21	4,934.49	3,819.28
(iii) Other financial liabilities	22	2,176.66	2,049.24
(b) Other current liabilities	23	1,979.13	1,474.87
(c) Provisions	19	1,727.72	6,727.17
		10,818.00	14,070.56
Liabilities directly associated with assets / sub-assemblies classified as held for sale	24	33.89	4.95
Total Current Liabilities		10,851.89	14,075.51
Total Liabilities		18,465.23	21,908.74
TOTAL EQUITY AND LIABILITIES		44,243.90	43,798.74

Significant Accounting Policies & Notes on Accounts

1 to 57

The accompanying notes are integral part of the Financial Statements
As per our report of even date

For V.RAWAL & Co
Chartered Accountants
FRN. 011303N

For and on behalf of the Board of Directors of
Ferro Scrap Nigam Limited

Sd/-
(CA Kriti Kumar Jain)
Partner
Membership No.: 462792

Sd/-
(Nishant Agrawal)
Company Secretary

Sd/-
(Sumit Kumar Roy)
Asst- General Manager (F&A) & CFO

Place : Bhilai
Date : 21/05/2024

Sd/-
(Bhanu Kumar)
Director
DIN - 07982360

Sd/-
(Manobendra Ghoshal)
Chairman and Managing Director
DIN - 09762368

FERRO SCRAP NIGAM LIMITED

Statement of Profit & Loss for the Period ended 31st March 2024

		₹ In Lakhs	
Particulars	Note	For the Year Ended 31.03.2024	For the Year Ended 31.03.2023
I Revenue from operations #	25	43,461.01	39,624.88
II Other Income	26	3,311.70	1,791.33
III Total Revenue (I + II)		46,772.71	41,416.21
IV EXPENSES			
(a) Operational Expenses	27	6,307.69	6,408.27
(b) Employee benefit expense	28	11,201.51	10,246.60
(c) Finance costs	29	0.00	0.00
(d) Depreciation and amortisation expenses	5&6	1,683.09	1,543.60
(e) Other expenses	30	18,759.44	18,083.19
Total Expenses (IV)		37,951.73	36,281.66
V Profit Before Exceptional Items and Tax (III-IV)		8,820.98	5,134.55
VI Exceptional Items		0.00	0.00
VII Profit Before Tax (V-VI)		8,820.98	5,134.55
VIII Tax Expense	31		
(a) Current tax		2,512.58	1,227.85
(b) Deferred tax		(183.97)	68.83
Total Tax Expense		2,328.61	1,296.68
IX Profit After Tax for the Year (VII- VIII)		6,492.37	3,837.87
X Other Comprehensive Income		(43.70)	114.51
Items that will not be re-classified to Profit/(Loss)			
(a) Remeasurement of the defined benefit plans		(58.40)	153.02
(b) Income tax relating to items that will not be reclassified to profit or loss		14.70	(38.51)
XI Total Comprehensive Income for the year (IX+X)		6,448.67	3,952.38
XII Earnings per Equity Share (` 10/- each)			
(a) Basic		20.29	11.99
(b) Diluted		20.29	11.99

Significant Accounting Policies & Notes on Accounts

1 to 57

The accompanying notes are integral part of the Financial Statements

As per our report of even date

For V.RAWAL & Co
Chartered Accountants
FRN. 011303N

Sd/-

(CA Kriti Kumar Jain)
Partner
Membership No.: 462792

Sd/-

(Nishant Agrawal)
Company Secretary

Sd/-

(Bhanu Kumar)
Director
DIN - 07982360

Sd/-

For and on behalf of the Board of Directors of
Ferro Scrap Nigam Limited

Sd/-

(Sumit Kumar Roy)
Asst- General Manager (F&A) & CFO

Sd/-

(Manobendra Ghoshal)
Chairman and Managing Director
DIN - 09762368

Place : Bhilai
Date : 21/05/2024

FERRO SCRAP NIGAM LIMITED

Statement of Cash Flow for the Year ended 31st March 2024

Particulars	₹ In Lakhs	
	For the Year Ended 31.03.2024	For the Year ended 31st March 2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the Year	6,492.37	3,837.87
Adjustments for:		
Depreciation / Amortisation of non-current assets	1,683.09	1,543.60
Income Tax expense recognised in profit & loss	2,328.61	1,296.69
(Gain)/Loss on disposal of Property, Plant & Equipment(net)	(12.86)	(29.43)
Finance Cost	-	-
Interest Income recognised in profit & loss	890.84	845.93
Operating profit before Working Capital changes	11,382.05	7,494.66
Adjustments for changes in Operating Assets & Liabilities		
Adjustments for (increase) / decrease in Operating Assets:		
(Increase)/decrease in Trade Receivables	(7,272.09)	1,068.86
(Increase)/decrease in Other Financial Assets	(33.30)	2.57
(Increase)/decrease in Other Assets	(212.71)	(53.95)
(Increase)/ decrease in Inventories	(23.01)	76.00
Adjustments for increase / (decrease) in Operating Liabilities:		
Increase/ (decrease) in Trade Payables	1,115.21	737.03
Increase/ (decrease) in Other Financial Liabilities	127.42	(275.78)
Increase/ (decrease) in Other Liabilities	533.21	(45.54)
Increase/ (decrease) in Provisions	(5,277.73)	510.35
Cash generated from Operations	339.05	9,514.20
Direct Taxes Paid (Net of Refund)	(1,515.90)	(1,466.15)
Net cash from Operating Activities	(1,176.85)	8,048.05
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payment for Property, Plant & Equipment net of transfer from CWIP	(2,420.49)	(1,802.03)
Proceeds from disposal of Property, Plant & Equipment	75.15	59.29
Investment In Fixed Deposits	6,325.69	(3,397.14)
Interest received	(411.88)	(877.38)
Net cash (used) in Investing Activities	3,568.47	(6,017.26)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of		
Interest Paid	-	-
Final Dividend Paid	(1,280.00)	(900.00)
Interim Dividend	(1,280.00)	(2,400.00)
Net cash used in Financing Activities	(2,560.00)	(3,300.00)
Net increase/(decrease) in Cash & Cash equivalents(A+B+C)	(168.38)	(1,269.21)
Cash and Cash equivalents at the beginning of the Year	2,722.00	3,991.21
Cash and Cash equivalents at the end of the Year	2,553.62	2,722.00

Figures in brackets indicate outflows.

Statement Showing Cash and Cash Equivalents			
Particulars	For the Year Ended 31.03.2024	For the Year ended 31st March 2023	
Cash and Cash equivalents at the end of the Year	2553.62		2722.00
Less: Over Draft Bank Balance at the end of the Year	0.00		0.00
Net Cash and Cash Equivalents at the end of the Year	2553.62		2722.00

As per our report of even date

For V.RAWAL & Co
Chartered Accountants
FRN. 011303N

Sd/-
(CA Kriti Kumar Jain)
Partner
Membership No.: 462792

Place : Bhilai
Date : 21/05/2024

Sd/-
(Nishant Agrawal)
Company Secretary

Sd/-
(Bhanu Kumar)
Director
DIN - 07982360

Sd/-
For and on behalf of the Board of Directors of
Ferro Scrap Nigam Limited

Sd/-
(Sumit Kumar Roy)
Asst- General Manager (F&A) & CFO

Sd/-
(Manobendra Ghoshal)
Chairman and Managing Director
DIN - 09762368

FERRO SCRAP NIGAM LIMITED

Statement of changes in equity for the Year ended 31st March 2024

A. Equity Share Capital

Particulars	Balance as at 1st April, 2022		Changes in Equity		Balance as at 31st March, 2023	
	Nos	Value	Nos	Value	Nos	Value
Equity Shares of ₹ 10 each	32,000,000	3,200.00	-	-	32,000,000	3,200.00
Issue of Share Capital	-	-	-	-	-	-
Issue of Bonus Share Capital	-	-	-	-	-	-
Particulars	Balance as at 1st April, 2023		Changes in Equity		Balance as at 31st March, 2024	
	Nos	Value	Nos	Value	Nos	Value
Equity Shares of ₹ 10 each	32,000,000	3,200.00	-	-	32,000,000	3,200.00
Issue of Share Capital	-	-	-	-	-	-
Issue of Bonus Share Capital	-	-	-	-	-	-

Equity shares of ₹10 each issued, subscribed and fully paid.

B. Other Equity

Particulars	Reserve & Surplus			
	Capital Reserve	General Reserve	Surplus	Total
Balance as at April 1, 2022	37.36	19,449.21	(1,448.95)	18,037.62
Profit for the year	-	-	3,837.87	3,837.87
Other Comprehensive Income for the year (net of Income tax)	-	-	114.51	114.51
Less: Final Dividend (FY 21-22)	-	-	(900.00)	(900.00)
Less: 1st Interim Dividend (FY 22-23)	-	-	(800.00)	(800.00)
Less: 2nd Interim Dividend (FY 22-23)	-	-	(800.00)	(800.00)
Less: 3rd Interim Dividend (FY 22-23)	-	-	(800.00)	(800.00)
Transfer to General Reserve	-	-	0.00	-
Balance as at March 31, 2023	37.36	19,449.21	(796.57)	18,690.00
Profit for the Year	-	-	6,492.37	6,492.37
Other Comprehensive Income for the Year ended 31.03.2024 (net of Income tax)	-	-	(43.70)	(43.70)
Less: Final Dividend (FY 22-23)	-	-	(1,280.00)	(1,280.00)
Less: 1st Interim Dividend (FY 23-24)	-	-	(640.00)	(640.00)
Less: 2nd Interim Dividend (FY 23-24)	-	-	(640.00)	(640.00)
Transfer to General Reserve	-	3,080.00	(3,080.00)	-
Balance as at March 31, 2024	37.36	22,529.21	12.10	22,578.67

As per our report of even date

For V.RAWAL & Co
Chartered Accountants
FRN. 011303N

Sd/-
(CA Kriti Kumar Jain)
Partner
Membership No.: 462792

Place : Bhilai
Date : 21/05/2024

Sd/-
(Nishant Agrawal)
Company Secretary

Sd/-
(Bhanu Kumar)
Director
DIN - 07982360

Sd/-
For and on behalf of the Board of Directors of
Ferro Scrap Nigam Limited

Sd/-
(Sumit Kumar Roy)
Asst- General Manager (F&A) & CFO

Sd/-
(Manobendra Ghoshal)
Chairman and Managing Director
DIN - 09762368

FERRO SCRAP NIGAM LIMITED

1. GENERAL INFORMATION

Ferro Scrap Nigam Limited ('FSNL' or 'the Company') is a public sector company, incorporated on 28-3-1979 & is having its registered office in Bhilai, Chhattisgarh. Presently it is a "Mini Ratna II PSU" (IMS Certified) a Government of India company under Ministry of Steel. It is a wholly owned subsidiary of MSTC Limited.

FSNL undertakes the job of recovery and processing of scrap from slag and refuse generated during iron and steel making at Steel Plants. Ferro Scrap Nigam Limited offers specialized services for Dig and Haul of Blast Furnaces & Steel Melting Shop slag at slag yards, processing of iron and steel skulls, mill rejects & maintenance scrap as per customer's requirement. FSNL also offers scarfing of slabs, crushing and screening of LD slag to be used in sinter plant, blast furnace, steel melting shop and rail ballast. It removes sludge & ash deposit from sludge compartments & ash ponds. FSNL also handle and neutralize Acid Sludge in open Hearth Muck Dump.

2. FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest Lakh (up to two decimals), except as stated otherwise.

3. RECENT ACCOUNTING DEVELOPMENTS

Ministry of Corporate Affairs ("MCA") has not notified any recent development to the existing Standards under The Companies (Indian Accounting Standards) Rules

4. SIGNIFICANT MATERIAL ACCOUNTING POLICIES

4.1 Basis of Preparation

The financial statements of the company have been prepared in accordance with Indian Accounting Standard (Ind AS) as prescribed under Section 133 of Companies Act, 2013 as notified under the companies (Indian Accounting Standards) Rules, 2015(as amended) under the historical cost convention on the accrual basis with the exception of certain assets and liabilities which are required to be measured at fair values at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability, if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve Months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

4.2 Use of Estimates and Critical Judgement

The preparation of accounts in accordance with Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the accounts and reported amounts of income and expenses during the period.

Actual results could differ from those estimates. Critical accounting judgments and the key sources of estimation or uncertainty in applying the Company's accounting policies arise in relation to property, plant and equipment, current asset provisions, deferred tax, retirement benefits. All of these key factors are reviewed on a continuous basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and any future periods affected.

4.3 Property, Plant and Equipment

An Item of Property, Plant and Equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the company and its costs can be measured reliably. This recognition principal is applied to the costs incurred initially to acquire an item of Property, Plant and Equipment and also to cost incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying amount of the replaced part is de-recognised.

Property, Plant and Equipment are stated at cost, less accumulated depreciation and impairment losses. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use.

The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset, and is recognised in the statement of profit and loss.

Included in Property, Plant and Equipment are loose plant and tools which are stated at cost less amounts written off related to their expected useful lives and estimated scrap value.

Spares having useful life of more than one year and having value of Rs. 25.00 Lakhs or more in each case, are capitalised under the respective heads as and when available for use.

Capital work-in-progress is valued at cost and includes equipment in transit and the cost of fixed assets that are not ready for their intended use at the reporting date.

when an Asset is retired from active use, but not yet Surveyed off, will be transferred to "Asset Retired from Active use" with residual value of 5% of the Cost of Asset and same will be classified as "Current Assets"

"Assets classified as held for sale" is under "Non-current Asset" if their carrying amount will be recovered principally through a sale transaction, rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less cost to sell, except for asset such as Deferred Tax Asset, Assets arising from employees benefit, Financial Assets which are specifically exempt from this requirement. Further, where the management expects that any part of said assets is likely to be disposed off within one year on the Balance Sheet date, the same are classified as "Current Assets".

"Assets classified as held for sale" is classified under "Non-current Asset" at their net written down value since these assets have already been retired from normal continuing operations and is held only for sale / auction.

"Assets classified as held for sale" are presented separately from the other assets in the balance sheet. The liabilities classified as held for sale are presented separately from the other liabilities in the balance sheet.

4.4 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Further, the management estimates that the intangible assets are having zero carrying cost at the end of its useful life i.e. zero residual value.

4.5 Depreciation and Amortization

Depreciation on tangible assets is provided on straight line method, considering residual value of 5% of the cost of asset, over the useful lives of the assets, as specified in Schedule II of the Companies Act, 2013.

Depreciation on addition to/ deletion of assets during the year is provided on Pro-rata basis with reference to the date of addition/deletion.

No further depreciation is provided in respect of assets that are fully written down but are still in use.

Depreciation on assets under construction commences only when the assets are ready for their intended use.

Depreciation on capital spares is provided over the useful life of the spare or remaining useful life of the mother asset, as re-assessed, whichever is lower.

The estimated useful lives of depreciable/amortisable assets are reviewed regularly and if necessary, changes in estimates are accounted for prospectively.

Assets costing upto Rs. 4999/- are fully depreciated in the year in which they are put to use.

Software which is not an integral part of related hardware, if treated as intangible assets and amortised over a period of 6 years or its license period, whichever is less, without any residual value.

However, in the following classes of assets depreciation is determined and charged on the basis of technically assessed estimated useful life as decided by the Management and approved by the Board of Directors shown hereunder.

Excavators 1.2 to 5 Cum used for Hot Slag handling	– 5 Years
Dozer	– 7 Years
Excavators 1.2 to 5 Cum Not used for Hot Slag handling	– 7 Years
Cranes	– 15 Years
Magnetic Separators	– 15 Years
All assets under “Plant and Machinery” except assets mentioned above	– 9.19 Years
Solar Plants	– 10 Years

4.6 Impairment of Non Financial Assets

At each balance sheet date, the Company reviews the carrying amounts of its Property, Plant and Equipment to determine whether there is any indication that the carrying amount of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the statement of profit and loss as and when the carrying amount of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

4.7 Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

a) **Financial assets**

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through profit or loss.

Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortized cost and fair value through other comprehensive income.

Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition. For financial instruments whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses

is recognised.

De-recognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing of the proceeds received.

b) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

De-recognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

4.8 Inventories

Inventories other than non-moving inventories are valued at cost or estimated net realizable value whichever is less. The cost includes purchase cost and other direct expenses but exclude excise duty , Goods & Service Tax on such goods where the company is eligible to take cenvat credit in accordance with rule 3 (1) of the Cenvat Credit Rules'2004& Input Credit under GST rules.

The inventory items, which have not moved for more than three years, are considered as non-moving inventories. Non-moving inventories are valued at cost reduced by ten percent of cost every year from the year 2001-2002.

The scrapped / redundant stores items are valued at cost or estimated net realizable value whichever is lower.

4.9 Borrowing Costs

Borrowing costs on working capital is charged against the profit/loss for the year in which it is incurred. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily takes substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time the assets are substantially ready for their intended use or sale.

Other income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4.10 Employee Benefits

(a) Short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period which the employees render the related service are recognised in respect of employees services up to the end of the reporting period and re-measured at the amounts to be paid when the liabilities are settled. The liabilities are presented as current employee benefits obligations in the balance sheet.

(b) Other long term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 month after the end of the period in which the employees render related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

The provision towards future payments to the disabled employee/ legal heirs of deceased employees under the Employees Family Benefit Scheme is made based on the actuarial valuation using the projected unit credit method.

The benefits are discounted using the market yield at the end of the reporting period that have terms of approximating to the terms of related obligations. Re-measurement as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss.

(c) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity, post-employment medical plans, contributory post retirement medical scheme and
- (b) Defined contribution plans such as provident funds and FSNL Executives' Contributory Pension Scheme.

Gratuity obligations

The liabilities or assets recognised in the balance sheet in respect of gratuity plan is the present value of the defined benefits obligation at the end of the reporting period less the fair value of plan assets. The defined benefits obligations are calculated annually by actuaries using projected unit credit (PUC) actuarial method.

The present value of defined benefits obligations is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that are terms approximating to the terms of the related obligations.

The net interest cost is calculated by applying the discounted rate to the net balance of defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of defined benefit obligation resulting from amendments and curtailments are recognised immediately in statement of profit and loss as past service cost.

Post-employment medical obligations

Company provides postretirement healthcare benefits to their retirees. The entitlement to these benefits is usually conditional on the employees remaining in service up to the retirement age and the completion of minimum service period. The expected cost of these benefits is accrued over the period of employment using the same accounting methodology as used for defined benefit plans. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income in the period in which they arise.

Defined contribution plans

Company pays Provident Fund which is administered by a Trust recognised by Income Tax Authorities and contribution to this Fund is charged to revenue. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Pensioners Benefits are secured through Employees' Pension Scheme 1995

FSNL Executives' Contributory Pension Scheme is administered through an independent trust and contribution of this fund is charged to revenue. The Fund is being managed through Life Insurance Corporation of India.

4.11 Revenue Recognition

Revenue is recognised for amounts the Company expects to be entitled to in exchange for transferring promised goods and services to a customer excluding amounts collected on behalf of third parties e.g. Goods and Service Tax. Revenue from contracts with customers is recognised when the Company satisfies the performance obligation identified in the contract through transfer of control of the promised goods and services.

Revenue is measured at the fair value of consideration received or receivable and recognised on accrual basis.

Items which are accounted on actual realization since realisability of such items are uncertain in accordance with the Provisions of the accounting standards are as follows:-

- (i) Liquidated damages on Suppliers or contractors.
- (ii) Interest thereon on Refund of Income Tax.

Interest Income is reported on an accrual basis using the effective interest method.

4.12 Service Charges

Service charges represent the income earned for processing of scrap and other items, custodian services for warehouse management and service related to valuation of assets done by the Company at the rates agreed with / offered to the respective Steel Plants and other parties.

Any retrospective revision of Service Charges in line with rate revision clause of the agreement with the customers is accounted for in the year of such revision to the extent such claims are accepted by the customers.

Where Agreement with Customers are not finalised, the service charges are accounted for on Provisional basis.

4.13 Foreign Currency Transaction

Foreign currency transactions are translated into the functional currency of the company using the exchange rates prevailing at the date of the transactions.

In preparing the financial statements of the company, transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in the statement of profit and loss for the period. Exchange differences arising on retranslation on non-monetary items carried at fair value are included in statement of profit and loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income.

Wherever foreign exchange fluctuations are to be borne by the customers as per agreement with them, foreign exchange gain/loss are not recognised in the books of the Company.

4.14 Taxes on Income

Tax expense for the year comprises current and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted in the country where the Company operates by the end of the reporting period.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

Current and deferred tax are recognised as an expense or income in the statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity.

4.15 Provisions, Contingent Liabilities and Contingent Assets

Liabilities which are material and whose future outcome cannot be reasonably ascertained are treated as contingent and not provided for and disclosed by way of notes to the accounts. These are reviewed at each Balance Sheet date and are adjusted to reflect the current management estimate considering final disposal of respective cases on merit basis as assessed by the management.

Contingent assets are not recognised but are disclosed when an inflow of economic benefits is probable.

Provisions are recognised, where the Company has any legal or constructive obligation or where reliable estimate can be made for the amount of the obligation and as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

4.16 Investments

Investments held / intended to be held for a period exceeding one year are classified as long term investments and the same are stated at cost. Gains / losses on long term investments are considered as income/expenditure at the time of sale only. Current investments are stated at lower of cost and fair value determined on an individual investment basis.

4.17 Provision for Doubtful Advances

Provision against advances will be made wherever such advance is considered doubtful in the opinion of management. Writing back of liabilities/provisions will be made wherever such liability/provision is considered no longer required in the opinion of management.

4.18 Cash Flow Statements

The statement of cash flow is prepared by using the indirect method as prescribed in IND AS 7, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The

Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

4.19 Segment Reporting

Company is engaged in the business of Scrap Recovery and Allied Jobs in various Steel Plants in India, which is the principal business activity of the company. Beside scrap recovery and allied job. However as per Para 11 of Ind AS (108) i.e. "operating segment", a business segment should be identified as a reportable segment if its reported revenue, including both sales to external customers and intersegment sales or transfers, is 10 percent or more of the combined revenue, internal and external, of all reporting segments.

Further as regard to geographical segment, the primary criteria as envisaged in the accounting standard are being considered of which details are as follows:

- a. Similarity of economic and political conditions
- b. Relationship between operations in different geographical areas
- c. Proximity of operations
- d. Special risks associated with operations in particular area
- e. Exchange control regulations
- f. Underlying currency risks.

Since the company is rendering services to units that are subject to same economical and political conditions and are therefore exposed to same operational risks viz. exchange control regulations, underlying currency risks, proximity of operations etc. Accordingly relationship between operations in different geographical areas does not differ from each other and therefore is not relevant for the company or the management.

4.20 Earnings Per Share

The earning per share and diluted earnings per share is calculated as per Ind AS 33.

Basic earning per share is computed by dividing profit after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding for the period

For the purpose of calculating diluted earnings per share, the profit after tax for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

4.21 Cash & Cash Equivalents

Cash and Cash equivalents in the Balance Sheet comprise Cash at Banks, Cash on hand and Short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

4.22 Equity & Reserves

Share Capital represents the nominal value of shares that have been issued.

Components of other equity include the following:

- Re-measurement of defined benefit liability comprise the actuarial gain or loss from changes in demographic and financial assumptions and return on plan assets.
- Other transactions recorded directly in Other Comprehensive Income.
- Retained earnings include all Current and Prior Period retained Profits.

4.23 Adjustment Pertaining to Earlier year

Income /Expenditure relating to Prior Period, which do not exceed Rs. 5.00 Lakhs in each case, is treated as Income/Expenditure of Current year.

4.24 Provision of Trade Receivable

FSNL undertakes the job of recovery and processing of Scrap from Slag and refuse generated during iron and steel making at Steel Plants. Most of the customers are Central Public Sector undertakings and presently one private entity. Commercial invoices are raised on fulfillment of contractual obligation and there is no dispute on service rendered by FSNL. Sometimes the realisation of Debtors takes more time due to liquidity crunch of the steel plants.

Based on above recitation, quantum of provision will be made against trade receivables in the books of accounts is narrated below.

Age of Debtors	Amount of provisioning
Upto 2 Years	No provision
More than 2 years and upto 3 years	20%
More than 3 years and upto 4 years	30%
More than 4 years and upto 5 years	50%
More than 5 years	100%

N.B (i) The policy will be effective from F.Y. 2020-21.

(ii) The policy is for accounting purpose only.

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5 - Property, Plant and Equipment

Particulars	Buildings	Office Equipment	Plant and Equipment	Furniture & Fixtures	Vehicles	Total Tangible Assets	Capital work in progress	Total tangible assets including Capital work in progress
Cost at the beginning of the year April 1, 2023	424.64	184.96	16967.92	69.84	393.10	18040.48	8.18	18048.66
Additions	8.60	7.04	2286.76	0.53	116.20	2419.13	0.00	2419.13
Deduction / Adjustments	0.00	0.08	51.40	0.00	2.64	54.12	8.18	62.30
Cost as at March 31, 2024	433.24	191.92	19203.28	70.37	506.66	20405.49	0.00	20405.49
Depreciation at the beginning of the year April 1, 2023	190.85	150.55	9985.25	40.84	250.13	10617.60	0.00	10617.60
Charge for the period	11.37	9.26	1605.97	5.78	38.55	1670.93	0.00	1670.93
Deduction / Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation as at March 31, 2024	202.22	159.81	11591.22	46.62	288.68	12288.53	0.00	12288.53
Net book value as at March 31, 2023	233.79	34.41	6982.67	29.00	142.97	7422.88	8.18	7431.06
Net book value as at March 31, 2024	231.02	32.11	7612.06	23.75	217.98	8116.96	0.00	8116.96

6 - Other Intangible Assets

Particulars	Computer Software	Total Intangible Assets	Intangible assets under development	Total intangible assets including intangible assets under development
Cost at the beginning of the year April 1, 2023	55.18	55.18	0.00	55.18
Additions	1.56	1.56	0.00	1.56
Deduction / Adjustments	0.20	0.20	0.00	0.20
Cost as at March 31, 2024	56.54	56.54	0.00	56.54
Amortisation at the beginning of the year April 1, 2023	34.74	34.74	0.00	34.74
Charge for the period	12.16	12.16	0.00	12.16
Deduction / Adjustments	0.00	0.00	0.00	0.00
Amortisation as at March 31, 2024	46.90	46.90	0.00	46.90
Net book value as at March 31, 2023	20.44	20.44	0.00	20.44
Net book value as at March 31, 2024	9.64	9.64	0.00	9.64

The Additions do not have any item acquired through Business Combinations. Also, there was no revaluation of any assets during the year. There is no property in the possession of the company and/or being used by the company which are not either owned/hired/rented/leased by/to the company.

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₹ In Lakhs

7 - Other Financial Assets

Particulars	As at March 31, 2024			As at March 31, 2023		
	Current	Non-Current	Total	Current	Non-Current	Total
(1) Security deposits						
Unsecured, considered good with others	0.63	45.32	45.95	1.07	25.60	26.67
(2) Interest accrued on loans and advances						
(a) Term deposit	579.79	-	579.79	1,058.50	-	1,058.50
(b) Loans to employees	0.37	0.02	0.39	0.06	0.58	0.64
(3) Other loans and advances						
(a) Loans to employees	0.01	-	0.01	0.25	0.01	0.26
(b) Advance to employees	36.62	-	36.62	22.36	-	22.36
Total	617.42	45.34	662.76	1,082.24	26.19	1,108.43

8 - Other Assets

Particulars	As at March 31, 2024			As at March 31, 2023		
	Current	Non-Current	Total	Current	Non-Current	Total
(1) Advance other than Capital advance						
Unsecured, considered good						
(i) Prepayments	463.03	5.95	468.98	201.90	6.31	208.21
(ii) Income tax assets(net)		617.56	617.56		1,599.53	1,599.53
(iii) Balance with Government authorities (other than income tax)						
(a) GST input tax Credit	182.92		182.92	258.84		258.84
(b) Others	244.69		244.69	245.56		245.56
(iv) Other advance						
(a) Advances to employees	57.51		57.51	57.83		57.83
(b) Advances to suppliers and service providers	37.82		37.82	44.38		44.38
Total	985.97	623.51	1,609.48	808.51	1,605.84	2,414.35

9 - Deferred Tax

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax (liabilities) / assets:		
Tax effect of items constituting deferred tax liabilities		
On difference between book balance and tax balance of fixed assets		
Tax effect of items constituting deferred tax liabilities	82.01	118.00
Total	82.01	118.00
Tax effect of items constituting deferred tax assets		
Provision for compensated absences, gratuity and other employee benefits	498.61	418.22
Provision for doubtful debts / advances	325.14	185.57
Tax effect of items constituting Deferred Tax Assets	823.75	603.79
Deferred Tax (Liabilities) / Assets (Net)	905.76	721.79

10 - Additional Regulatory Information

Capital-work-in-progress(CWIP) ageing schedule:

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2024					
Project in Progress	-	-	-	-	-
Total Capital-work-in progress	-	-	-	-	-
As at 31 March 2023					
Project in Progress	8.18	-	-	-	8.18
Total Capital-work-in progress	8.18	-	-	-	8.18

Intangible assets under development (IDU) ageing Schedule:

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2024					
Project in Progress	-				-
Total Intangible assets under development	-				-
As at 31 March 2023					
Project in Progress	-	-	-	-	-
Total Intangible assets under development	-				-

FERRO SCRAP NIGAM LIMITED

₹ In Lakhs

11 - Inventories

Particulars	As at March 31, 2024	As at March 31, 2023
(1) Stores and Spares	465.63	434.63
(2) Stock of Non-Moving inventory	116.62	159.49
(3) Stores and Spares - Awaiting Disposal	18.85	14.38
(4) Inventory Shortage	0.14	0.14
(5) Stock in Transit	16.35	-
	<u>617.59</u>	<u>608.64</u>
(6) Provision		
(1) For stock of non-moving	63.32	81.62
(2) For inventory shortage	0.14	0.14
(3) For Stores and Spares - Awaiting Disposal	16.45	12.21
	79.91	93.97
Total	537.68	514.67

12 - Trade Receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Undisputed Trade Receivables		
(1) Undisputed Trade Receivables-considered good	19,350.37	11,720.75
(2) Undisputed Trade Receivables-considered doubtful	890.01	1,247.54
(3) Undisputed Trade Receivables-credit impaired	890.01	535.54
Less: Provision for Trade Receivables	890.01	535.54
Total	20,240.38	12,968.29

Trade Receivables ageing schedule:

Particulars		Outstanding for following periods from due date of payment						Total
		Not Due	Less than 6 months	6 months - 1 year	1-2 year	2-3 year	More than 3 years	
	As at 31st March 2024							
(a)	Undisputed trade receivables-considered good	4,867.44	12,448.15	1,968.05	66.73	-	-	19,350.37
(b)	undisputed trade receivables-considered doubtful	-	-	-	-	-	890.01	890.01
(c)	Undisputed Trade Receivables-credit impaired	-	-	-	-	-	890.01	890.01
	Less: Provision for Trade Receivables	-	-	-	-	-	(890.01)	(890.01)
(d)	Total Trade Receivables (a+b+c)	4,867.44	12,448.15	1,968.05	66.73	-	890.01	20,240.38

Particulars		Outstanding for following periods from due date of payment						Total
		Not Due	Less than 6 months	6 months - 1 year	1-2 year	2-3 year	More than 3 years	
	As at 31st March 2023							
(a)	Undisputed Trade Receivables-considered good	4,182.19	7,405.36	126.00	-	-	7.20	11,720.75
(b)	undisputed Trade Receivables-considered doubtful	-	-	-	-	-	1,247.54	1,247.54
(c)	Undisputed Trade Receivables-credit impaired	-	-	-	-	-	535.54	535.54
	Less: Provision for Trade Receivables	-	-	-	-	-	(535.54)	(535.54)
(d)	Total Trade Receivables (a+b+c)	4,182.19	7,405.36	126.00	-	-	1,254.74	12,968.29

FERRO SCRAP NIGAM LIMITED

₹ In Lakhs

13 - Cash and Cash Equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Cash & Cash equivalents		
(1) Cash in hand	-	-
(2) Balances with banks In Current Account	1,553.62	2,722.00
(3) In Deposit Account Deposits With original maturity up to 3 Months	1,000.00	-
Total	2,553.62	2,722.00

14 - Other Bank Balances

Particulars	As at March 31, 2024	As at March 31, 2023
(1) In Deposit Account		
Deposits With original maturity with more than 3 Months and up to 12 Months #	9,306.98	13,452.67
Deposits With original maturity with more than 12 Months*	-	2,180.00
Total	9,306.98	15,632.67

The above deposits includes ₹ 4306.98 lakhs (PY 2022-23- ₹ 6262.67 lakhs) pledged with Union Bank Of India, Bank Of Baroda, IDBI, SBI and Indian Bank against Bank Guarantee and Overdraft facility.

* The above deposits includes (PY 2022-23) ₹ 180.00 lakhs) pledged with Bank Of Baroda, IDBI, SBI and Union Bank of India against Bank Guarantee and Overdraft facility.

There is no default in honouring any obligation to any Bank in terms of extant agreements.

15 - Assets classified as held for sale

Particulars	As at March 31, 2024	As at March 31, 2023
Property, Plant and Equipment (Non-Current)	252.92	224.41
Property, Plant and Equipment (Current)	30.33	8.49

Asset classified as held for sale is classified under "Non-Current Assets" at their written down value, since these assets have already been retired from normal continuing operations and is held only for sale / auction. Further, where auction amount has been received from the successful bidder, and the assets has not been lifted at the Balance sheet date, the same are classified as Current Assets

16 - Assets Retired From Active Use

Particulars	As at March 31, 2024	As at March 31, 2023
Assets Retired From Active Use	17.39	32.14

when an Asset is retired from active use, but not yet Surveyed off, will be transferred to "Asset Retired from Active use" with residual value of 5% of the Cost of Asset and same will be classified as "Current Assets"

FERRO SCRAP NIGAM LIMITED

₹ In Lakhs

17 - Share Capital

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised:		
5,00,00,000 Ordinary Shares of ` 10/- each	5,000.00	5,000.00
	5,000.00	5,000.00
Issued:		
3,20,00,000 Ordinary Shares of ` 10/- each	3,200.00	3,200.00
	3,200.00	3,200.00
Subscribed and Paid-up		
3,20,00,000 Ordinary Shares of ` 10/- each	3,200.00	3,200.00
	3,200.00	3,200.00

The company is a public sector undertaking and a wholly owned subsidiary of MSTC Ltd.

The company has only one class of shares referred to as equity shares having a par value of ` 10/- each. Each holder of equity share is entitled for dividend and one vote per share.

The company declares and pays dividend in Indian Rupees. The quantum of dividend is based on DPE guideline as applicable to all CPSE. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining asset of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the year ended March 31, 2024, Company has paid Interim Dividend for F.Y 2023-24 amounting to Rs. 4.00 per equity shares and the total appropriation amounted to Rs. 1280.00 Lakhs.

17.1 - Share Capital

₹ In Lakhs

Particulars	Attributable to owners of the Company	
	Equity Share capital-Paid up	
	As at March 31, 2024	As at March 31, 2023
Equity Share Capital-Paid up	3,200.00	3,200.00

17.2 - Statement of Reconciliation of Issued, Subscribed and Fully Paid-up Share Capital

Particulars	Equity Shares		
	Number	Face Value (in ₹)	Amount ₹ In Lakhs
Shares outstanding as at April 1, 2023	32,000,000	10	3,200.00
Add:			
Issue of Shares	-	-	-
Less:			
Reduction of Shares	-	-	-
Shares outstanding as at March 31, 2024	32,000,000	10	3,200.00

17.3 - Details of Shareholders holding more than 5% of Share holding:

Type of Shares	Name of the Proprietor	% of Shares Held	No. of Shares Held
Equity Share of ` 10 each as at 31st March 2024	MSTC Limited	100	32,000,000
Equity Share of ` 10 each as at 31st March 2023			32,000,000

FERRO SCRAP NIGAM LIMITED

18 - Other Equity

₹ In Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
(1) Capital Reserves	37.36	37.36
(2) General Reserve		
Opening balance	19,449.21	19,449.21
Add: Current Year Transfer from Surplus	3,080.00	-
	22,529.21	19,449.21
(3) Surplus		
Opening balance	(796.57)	(1,448.95)
Add: Net Profit/(Net Loss) For the current year	6,492.37	3,837.87
Other Comprehensive income arising from remeasurement of defined benefit obligation	(43.70)	114.51
Less: Final Dividend (FY 21-22)	-	900.00
Less: Final Dividend (FY 22-23)	1,280.00	-
Less: 1st Interim Dividend (FY 22-23)	-	800.00
Less: 1st Interim Dividend (FY 23-24)	640.00	-
Less: 2nd Interim Dividend (FY 22-23)	-	800.00
Less: 3rd Interim Dividend (FY 22-23)	-	800.00
Less: 2nd Interim Dividend (FY 23-24)	640.00	-
Less: Transfer to General Reserve	3,080.00	-
	12.10	(796.57)
Total of Other Equity(1+2+3)	22,578.67	18,690.00

FERRO SCRAP NIGAM LIMITED

₹ In Lakhs

19 - Provisions

Particulars	As at March 31, 2024			As at March 31, 2023		
	Current	Non-Current	Total	Current	Non-Current	Total
(1) Provision for employee benefits						
(a) Defined benefit Obligations						
(i) Employees Family Benefit Scheme	199.16	609.48	808.64	210.07	697.32	907.39
(ii) Gratuity	-	(74.12)	(74.12)	-	(105.29)	(105.29)
(iii) Leave Encashment Benefit	232.41	1,902.43	2,134.84	163.39	2,091.14	2,254.53
(b) Retirement benefits obligations						
(i) Post Retirement Medical Benefit	257.25	4,644.79	4,902.04	34.70	4,863.58	4,898.28
(ii) Contributory Post Retirement Medical Benefit	23.56	484.81	508.37	10.49	234.48	244.97
(iii) Other Retirement Benefit	7.10	39.29	46.39	4.90	47.26	52.16
(c) Other employee benefits						
(i) Long Service Awards	0.75	6.66	7.41	0.43	4.74	5.17
(ii) Wage Revision	-	-	-	5,518.22	-	5,518.22
Additional Resource Generation Scheme	55.03	-	-	58.50	-	-
(iii) payable to Non-executive	-	-	55.03	-	-	58.50
(iv) Performance Related Pay	-	-	-	-	-	-
FY 2023-24 FY 2022-23						
for 2019-20	0.88	0.88	-	-	-	-
for 2020-21	5.49	5.49	-	-	-	-
for 2021-22	4.53	246.09	-	-	-	-
for 2022-23	7.05	141.96	-	-	-	-
for 2023-24	415.77	-	433.72	394.42	-	394.42
(2) Other provisions	518.74	-	518.74	332.05	-	332.05
Total	1,727.72	7,613.34	9,341.06	6,727.17	7,833.23	14,560.40

20 - Borrowings (Current)

Particulars	As at March 31, 2024	As at March 31, 2023
Secured		
Working Capital Loan	-	-
Total	-	-

21 - Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payable for goods and services		
(a) Micro enterprises and small enterprises	412.86	382.67
(b) Medium Enterprises	46.25	-
(c) other than MSME	4,475.38	3,436.61
Total	4,934.49	3,819.28

Note: Dues of micro, small and medium enterprises

Particulars	As at March 31, 2024	As at March 31, 2023
The amounts remaining unpaid to micro and small suppliers at the end of the year	-	-
Principal	412.86	382.67
Interest due thereon	-	-
The amount of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (Which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years until such date when the interest due as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under MSMED Act, 2006	-	-

Trade payables ageing schedule:

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
As at 31st March 2024						
Trade payables-MSME	437.89	21.22	-	-	-	459.11
Trade payables-Others	2,256.07	2,157.49	3.71	1.62	56.49	4,475.38
Total trade payables	2,693.96	2,178.71	3.71	1.62	56.49	4,934.49
As at 31st March 2023						
Trade payables-MSME	219.26	163.41	-	-	-	382.67
Trade payables-Others	873.78	2,347.04	14.85	54.88	146.06	3,436.61
Total trade payables	1,093.04	2,510.45	14.85	54.88	146.06	3,819.28

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₹ In Lakhs

22 - Other Financial Liabilities (Current)

Particulars	As at March 31, 2024	As at March 31, 2023
Employee Benefits Payable	1,394.54	1,424.68
Creditors for other liabilities		
Security deposits/EMD	782.12	624.56
	2,176.66	2,049.24

23 - Other Liabilities (Current)

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory Dues		
(1) Goods & Service Tax payable	935.70	945.80
(2) Tax deducted and collected at source	253.82	213.02
(3) Provident Fund and Pension	156.18	152.38
(4) Pension for Executive	179.05	163.67
(5) Pension for Non Executive	453.46	-
(6) Others	0.92	-
Total	1,979.13	1,474.87

24 - Liabilities associated with "Assets/Sub-assemblies classified as held for sale"

Particulars	As at March 31, 2024	As at March 31, 2023
Liabilities directly associated with asset / sub-assemblies held for sale*	33.89	4.95
Total	33.89	4.95

*Amount deposited by H1 bidder but asset / sub-assemblies not lifted on reporting date is considered under "Liabilities directly associated with asset / sub-assemblies classified as held for sale".

25 - Revenue From Operations

Particulars	For the Year ended 31.03.2024	For the year ended 31.03.2023
Sale of Services		
Processing of Scrap & other items	43,461.01	39,624.88
Total	43,461.01	39,624.88

26 - Other Income

Particulars	For the Year ended 31.03.2024	For the year ended 31.03.2023
(1) Interest income on FDR	890.84	845.93
(2) Sale of Sub-assemblies	0.02	16.71
(3) Profit on Sale of Fixed Assets	13.89	32.60
(4) Liquidated damages and Other recoveries	16.66	13.34
(5) Provision no longer required written back	2,336.21	790.16
(6) Miscellaneous income	54.08	92.59
Total	3,311.70	1,791.33

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₹ In Lakhs

27 - Operational Expenses

Particulars	For the Year ended 31.03.2024	For the year ended 31.03.2023
(1) Lancing Tubes	31.43	37.95
(2) Oxygen & Acetylene	295.71	258.74
(3) Lubricants	173.53	156.68
(4) Diesel & Gasoline	4,574.41	4,787.87
(5) Stores & Spare Parts	1,125.42	1,062.32
(6) Water, Power	107.19	104.71
Total	6,307.69	6,408.27

28 - Employee Benefit Expense

Particulars	For the Year ended 31.03.2024	For the year ended 31.03.2023
(1) Salary, Wages & Incentives	8,486.89	8,135.99
(2) Contribution to Provident & Other Fund	691.41	790.53
(3) Staff welfare expenses	2,023.21	1,320.08
Total	11,201.51	10,246.60

29 - Finance Costs

Particulars	For the Year ended 31.03.2024	For the year ended 31.03.2023
Interest expense on short term borrowings	-	-
Total	-	-

30 - Other Expenses

Particulars	For the Year ended 31.03.2024	For the year ended 31.03.2023
(1) Cost of services through outside agency/Equipment Rent	13,974.02	14,135.72
(2) Hiring of manpower for operational activities	1,478.05	1,084.25
(3) Security Services	465.81	456.98
(4) Travelling including allowances	70.36	58.45
(5) Insurance	163.79	155.41
(6) Rates & Taxes	90.90	48.81
(7) Professional Fess	28.25	23.80
(8) Postage, Printing & Stationery	35.68	43.73
(9) Telephone Expenses	35.39	26.81
(10) Advertisement	6.82	9.56
(11) Bank Charges	0.93	1.00
(12) Leasehold Land Rent Expenses	37.20	46.50
(13) Loss of written off / Sale of Fixed Assets	1.03	3.16
(14) Freight	64.70	24.07
(15) Bad Debts Written Off	-	29.43
(16) Provision for Bad And Doubt full debt	356.00	518.44
(17) Provision for Assets Awaiting for Disposal	65.33	18.38
(18) Repair and Maintenance		
(a) Repairs to Machinery	1,054.35	950.32
(b) Repairs to Building	41.26	6.60
(c) Repairs to Office Equipment & Furniture	27.19	18.14
(d) Repairs to Vehicle	9.95	8.15
	1,132.75	983.21
(19) Auditors remuneration and out-of-pocket expenses		
(a) Statutory Audit Fees (for four Quarter)	1.14	1.13
(b) Statutory Audit Fees(Annual)	1.62	1.62
(c) Tax Audit Fees	0.42	0.42
(d) Certification Fees	-	0.05
(e) Out of Pocket Expenses (for four Quarter)	1.68	1.66
(f) Out of Pocket Expenses (Annual)	1.63	1.63
	6.49	6.51
(20) Miscellaneous Expenses	745.94	408.97
Total	18,759.44	18,083.19

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₹ In Lakhs

31 - Income Tax Recognised in Statement of Profit & Loss Account

Particulars	For the Year ended 31.03.2024	For the year ended 31.03.2023
(1) Current Tax		
For the period	2,511.54	1,261.76
For earlier years	1.04	(33.91)
(2) Deferred Tax in respect of the Current Year	(183.97)	68.83
Total income tax expense recognised in the current Year	2,328.61	1,296.68

The income tax expense for the year can be reconciled to the accounting profit /(loss) as follows:

Particulars	For the Year ended 31.03.2024	For the year ended 31.03.2023
Profit before tax for the Year	8,820.98	5,134.55
(1) Income tax expense calculated at 25.168%	2,220.06	1,292.26
(2) Effect of expenses that are not deductible in determining taxable profit	5.03	5.08
(3) Effect of income that is exempt from tax	103.52	(0.66)
	2,328.61	1,296.68

The tax rate used for the year 2022-23 & 2023-24 in the reconciliations above is the corporate tax rate of 25% plus surcharge and cess payable by the company. The company has not surrendered or disclosed any income during the year in the tax assessments under the Income Tax Act, 1961.

32 - Deferred Tax

Particulars	As at March 31, 2023	Charge/ (credit) for the Year	As at March 31, 2024
Deferred Tax Liabilities			
Property, Plant & Equipment and Other Intangible Assets	(118.00)	35.99	(82.01)
(Difference in Book Value)	(118.00)	35.99	(82.01)
Deferred Tax Assets			
Defined Benefit Obligation	418.22	80.39	498.61
Provision for Doubtful Debts & Advances	185.57	139.57	325.14
Others	-	-	-
	603.79	219.96	823.75
Net Deferred Tax (Liability)/ Asset	721.79	183.97	905.76

33 - Earning Per Share

Particulars	For the Year ended 31.03.2024	For the year ended 31.03.2023
Profit after tax	6,492.37	3,837.87
Profit attributable to Shareholders	6,492.37	3,837.87
Weighted average No. of Shares for Basic EPS	320	320
Nominal value of Ordinary Shares (₹)	10.00	10.00
Basic/Diluted Earnings per Share (₹ Per Share)	20.29	11.99

34 - Expenditure in Foreign Currency

Particulars	For the Year ended 31.03.2024	For the year ended 31.03.2023
Towards Travel Expenses	-	3.90
	0.00	3.90

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35 - Employee Benefits

Defined Contribution Plans

1. Provident Fund

12% of Basic pay and Dearness Allowance contributed to the provident fund trust by the company.

2. FSNL Executives' Contributory Pension Scheme

The Pension Scheme for Executives of FSNL has been formulated under Defined contribution Plan. The company contributes annually to LIC of India through a Trust. LIC will provide the pension to the Executives from the Corpus created by contribution from FSNL (The Employer)

3. FSNL Non-Executives' Contributory Pension Scheme

The Pension Scheme for Non-Executives of FSNL has been formulated under Defined contribution Plan.

Defined Benefit Plans

1. Leave Encashment

It is payable on separation to eligible employees, shall be limited to 300 days (Earned Leave and Half-Pay Leave combined), and HPL shall not be commuted as per DPE Guidelines for calculation of 300 days limit. Encashment of accumulated earned leave is also allowed up to 90 days once in a calendar year.

2. Post Retirement Settlement Benefit

It is payable to retiring employees for settlement at their declared home town.

3. Long Term Service Award

It is payable in kind for rendering minimum 25 years of service and also on superannuation.

4. Employee Family Benefit Scheme

Monthly payment to disabled separated employees / legal heirs of deceased employees in lieu of prescribed deposit till the notional date of superannuation of deceased employees.

5. Gratuity:

The Gratuity is payable on separation at the rate of 15 days pay for each completed year of service to eligible employees who render continuous service for a minimum period of 5 years and up to 30 years. The Gratuity is calculated at the rate of one month's wages last drawn by the employee for every completed year of service in excess of 30 years. The maximum amount of Gratuity payable to employee is ₹ 20.00 lakhs.

The Gratuity is funded with LIC of India. The company has done actuarial valuation of Gratuity Fund in accordance with Ind AS 19.

6. Post Retirement Medical Benefit:

The Post Retirement Medical Benefit is a medical benefit to the superannuated employees and their spouse. This is available to superannuated employees at any hospital under the Mediciam Insurance Policy.

7. Contributory Scheme for Post Retirement Medical Facilities (Domiciliary):

The payment of medical facilities (Domiciliary) to the separated executives as covered under contributory scheme for post retirement medical facilities (domiciliary) for executives.

These plans typically expose the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. When there is a deep market for such bonds and if the return on plan asset is below this rate, it will create a plan deficit.
Interest risk	The defined benefit plan liability calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit plan liability will tend to increase.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

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(a) The company has recognised an amount of ₹ **1221.68 lakhs** in Statement of Profit and Loss for the year **(2022-23 : ₹ 755.00 lakhs)** expenses under defined contribution plans.

Benefit (Contribution to)	Current Year 31.03.2024	Previous Year 31.03.2023
	₹ in Lakhs	₹ in Lakhs
Provident Fund	590.34	591.33
FSNL Executives' Contributory Pension Scheme	179.05	163.67
FSNL Non- Executives' Contributory Pension Scheme	453.46	-
Total	1,222.85	755.00

(b) The company operates post retirement defined benefit plans as follows :

i. Funded

a. Gratuity

ii. Unfunded:

a. Post Retirement Medical Benefit Scheme

b. Contributory Scheme for Post Retirement Medical Facilities (Domiciliary)

c. Leave Encashment

d. Post Retirement Settlement Benefit

e. Long Term Service Award

f. Employee Family Benefit Scheme

(c) Details of the Gratuity Plan are as follows :

Description	For the year ended	
	March, 31st 2024	March, 31st 2023
1. Assumptions		
a. Discount rate (per annum)	7.00%	7.10%
b. Estimated rate of return on plan assets (per annum)	7.00%	7.10%
c. Rate of escalation in salary (per annum)	Executive and Non-Executive-First Year 10% Thereafter 6%	Executive and Non-Executive-First Year 10% Thereafter 6%
2. Amounts recognised in standalone statement of profit and loss in respect of defined benefit plans under Gratuity are as follows:		
	For the year ended	
	March, 31st 2024	March, 31st 2023
	₹ In lakhs	₹ In lakhs
a. Current service cost	61.88	123.67
b. Service Cost	61.88	123.67
c. Net Interest on net defined benefit liability / (asset)	(8.19)	19.69
d. Cost recognized in P&L	53.69	143.36
Remeasurement on the net defined benefit liability/asset:		
a. Actuarial (gain)/loss due to DBO Experience	(70.56)	(3.61)
b. Actuarial (gain)/loss due to DBO assumption changes	48.91	(210.81)
c. Actuarial (gain)/loss arising during period	(21.65)	(214.42)
d. Return on plan assets (greater)/less than discount rate	19.13	(34.23)
e. Actuarial (gains)/losses recognised in OCI	(2.52)	(248.65)
f. (Income)/Cost recognized in OCI	(2.52)	(248.65)

3. The current service cost and the net interest expenses for the year are included in the 'Employee benefits expense' line item in the standalone statement of profit and loss.

4. The remeasurement of the net defined benefit liability is included in other comprehensive income.

5(a). Movements in the present value of the defined benefit obligation are as follows	For the year ended	
	March, 31st 2024	March, 31st 2023
	₹ In lakhs	₹ In lakhs
a.Obligation as at the beginning of the year	5,914.66	6,918.20
b.Current Service Cost	61.88	123.67
c.Interest Cost	380.97	388.59
d.Past Service cost - Plan Amendments	-	-
e.Actuarial gains and losses arising from changes in financial assumptions	48.91	(210.81)
f.Actuarial gains and losses arising from experience adjustments	(70.56)	(3.61)
g.Actuarial gains and losses arising demographic assumption	-	-
h. Benefits paid from plan asset	(1,097.71)	(1,301.38)
i. Closing defined benefit Obligation	5,238.15	5,914.66

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5(b). Movements in the fair value of the plan assets are as follows

	For the year ended	
	March, 31st 2024	March, 31st 2023
	₹ In lakhs	₹ In lakhs
a. Fair value of the assets at end of prior period	6,019.95	6,283.12
b. Interest Income on plan assets	389.16	368.90
c. Employer Contributions	20.00	635.08
d. Return on plan assets greater/(lesser) than discount rate	(19.13)	34.23
e. Benefits paid	(1,097.71)	(1,301.38)
f. Fair Value of assets at the end of current period	5,312.27	6,019.95

6. Significant actuarial assumptions for the determination of the defined obligation are discount rate and Salary Escalation Rate. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Effect of a 1% change in discount rate	For the year ended	
	March, 31st 2024	March, 31st 2023
	₹ In lakhs	₹ In lakhs
Increase		
(i) aggregate current service and interest cost	(189.48)	(216.95)
(ii) closing balance of obligation	5,048.67	5,697.71
Decrease		
(i) aggregate current service and interest cost	207.55	236.64
(ii) closing balance of obligation	5,445.70	6,151.30

Effect of a 1% change in salary escalation rate	For the year ended	
	March, 31st 2024	March, 31st 2023
	₹ In lakhs	₹ In lakhs
Increase		
(i) aggregate current service and interest cost	59.00	62.24
(ii) closing balance of obligation	5,297.15	5,976.90
Decrease		
(i) aggregate current service and interest cost	(61.68)	(63.87)
(ii) closing balance of obligation	5,176.47	5,850.79

7. The sensitivity results above determine their individual impact on the plan's end of the year Defined Benefit Obligation. In reality, the plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

8. There was change in assumptions used in preparing the sensitivity analysis from prior years. (Discount Rate-7.10% in Previous Year and 7.00% for Current Year)

(d) Details of the Post Retirement Medical Benefit Scheme are as follows :

Description	For the year ended	
	March, 31st 2024	March, 31st 2023
1. Assumptions		
a. Discount rate (per annum)	7.00%	7.10%
b. Medical Inflation (per annum)	5.00%	5.00%

2. Amounts recognised in standalone statement of profit and loss in respect of defined benefit plans under Post Retirement Medical Benefit Scheme are as follows:

	For the year ended	
	March, 31st 2024	March, 31st 2023
	₹ In lakhs	₹ In lakhs
a. Current service cost	47.71	63.66
b. Service Cost	47.71	63.66
c. Net Interest on net defined benefit liability / (asset)	341.48	281.34
d. Cost recognized in P&L	389.19	345.00
Remeasurement on the net defined benefit liability/asset:		
e. Actuarial (gain)/loss due to DBO Experience	(264.61)	712.25
f. Actuarial (gain)/loss due to DBO assumption changes	56.65	(595.36)
g. Actuarial (gain)/loss arising during period	(207.96)	116.89
h. Return on plan assets (greater)/less than discount rate	-	-
i. Actuarial (gains)/losses recognised in OCI	(207.96)	116.89
j. Adjustments for limit on net assets	-	-
k. (Income)/Cost recognized in OCI	(207.96)	116.89

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3. The current service cost and the net interest expenses for the year are included in the 'Employee benefits expense' line item in the standalone statement of profit and loss.
4. The remeasurement of the net defined benefit liability is included in other comprehensive income.

5. Movements in the present value of the defined benefit obligation are as follows	For the year ended	
	March, 31st 2024	March, 31st 2023
	₹ In lakhs	₹ In lakhs
a. Obligation as at the beginning of the year	4,898.28	4,639.25
b. Current Service Cost	47.71	63.66
c. Interest Cost	341.48	281.34
d. Actuarial gains and losses arising from changes in financial assumptions	56.65	(595.36)
e. Actuarial gains and losses arising from experience adjustments	(264.61)	712.25
f. Benefits paid directly by the Company	(177.46)	(202.86)
g. Actuarial gains and loss arising from demographic assumption	-	-
h. Closing defined benefit Obligation	4,902.05	4,898.28

6. Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected medical cost inflation. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Effect of a 1% change in discount rate	For the year ended	
	March, 31st 2024	March, 31st 2023
	₹ In lakhs	₹ In lakhs
Increase		
(i) aggregate current service and interest cost	(522.58)	(550.31)
(ii) closing balance of obligation	4,379.47	4,347.97
Decrease		
(i) aggregate current service and interest cost	629.37	668.41
(ii) closing balance of obligation	5,531.42	5,566.69

Effect of a 1% change in medical inflation rate	For the year ended	
	March, 31st 2024	March, 31st 2023
	₹ In lakhs	₹ In lakhs
Increase		
(i) aggregate current service and interest cost	630.48	670.19
(ii) closing balance of obligation	5,532.53	5,568.47
Decrease		
(i) aggregate current service and interest cost	(532.37)	(560.92)
(ii) closing balance of obligation	4,369.68	4,337.36

7. The sensitivity results above determine their individual impact on the plan's end of the year Defined Benefit Obligation. In reality, the plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.
8. There was change in assumptions used in preparing the sensitivity analysis from prior years. (Discount Rate-7.10% in Previous Year and 7.00% for Current Year)

(e) Details of the Contributory Scheme for Post Retirement Medical Facilities (Domiciliary) are as follows :

Description	For the year ended	
	March, 31st 2024	March, 31st 2023
	₹ In lakhs	₹ In lakhs
1. Assumptions		
a. Discount rate (per annum)	7.00%	7.10%
b. Medical Inflation (per annum)	Not Applicable	Not Applicable
2. Amounts recognised in standalone statement of profit and loss in respect of defined benefit plans under Contributory Scheme for Post Retirement Medical Facilities (Domiciliary) are as follows:		
	March, 31st 2024	March, 31st 2023
	₹ In lakhs	₹ In lakhs
a. Current service cost	4.85	5.89
b. Service Cost	4.85	5.89
c. Net Interest on net defined benefit liability / (asset)	16.44	15.85
d. Immediate recognition of (gains)/losses-other long term employee benefit plans	-	-
e. Cost recognized in P&L	21.29	21.74
Remeasurement on the net defined benefit liability/asset:		
a. Actuarial (gain)/loss due to DBO Experience	263.44	5.06
b. Actuarial (gain)/loss due to DBO assumption changes	5.44	(26.32)
c. Actuarial (gain)/loss arising during period	268.88	(21.26)
d. Actuarial (gains)/losses recognised in OCI	268.88	(21.26)
e. (Income)/Cost recognized in OCI	268.88	(21.26)

FERRO SCRAP NIGAM LIMITED

3. The current service cost and the net interest expenses for the year are included in the 'Employee benefits expense' line item in the standalone statement of profit and loss.
4. The remeasurement of the net defined benefit liability is included in other comprehensive income.

5. Movements in the present value of the defined benefit obligation are as follows	For the year ended	
	March, 31st 2024	March, 31st 2023
	₹ In lakhs	₹ In lakhs
a. Obligation as at the beginning of the year	(244.97)	(266.84)
b. Current Service Cost	(4.85)	(5.89)
c. Interest Cost	(16.44)	(15.85)
d. Actuarial gains and losses arising from experience adjustments	-	-
g. Benefits paid directly by the Company	26.77	22.35
h. Amounts recognized in OCI	(268.88)	21.26
i. Closing defined benefit Obligation	(508.37)	(244.97)

6. Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected medical cost inflation. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Effect of a 1% change in discount rate	For the year ended	
	March, 31st 2024	March, 31st 2023
	₹ In lakhs	₹ In lakhs
Increase		
(i) aggregate current service and interest cost	(50.40)	(24.67)
(ii) closing balance of obligation	(558.77)	(269.64)
Decrease		
(i) aggregate current service and interest cost	60.23	29.52
(ii) closing balance of obligation	(448.14)	(215.45)

Effect of a 1% change in medical inflation rate	March, 31st 2024	March, 31st 2023
Increase		
(i) aggregate current service and interest cost	Not Applicable	Not Applicable
(ii) closing balance of obligation	-	-
Decrease		
(i) aggregate current service and interest cost	Not Applicable	Not Applicable
(ii) closing balance of obligation	-	-

7. The sensitivity results above determine their individual impact on the plan's end of the year Defined Benefit Obligation. In reality, the plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.
8. There was change in assumptions used in preparing the sensitivity analysis from prior years. (Discount Rate-7.10% in Previous Year and 7.00% for Current Year)

FERRO SCRAP NIGAM LIMITED

36 - Disclosures on financial instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset and financial liability are disclosed in note to the standalone financial statements.

(1) Financial assets and liabilities

The following table presents carrying amount and fair value of each category of financial assets and liabilities as at the year end.

	As at March 31, 2024	As at March 31, 2023	Remarks
Financial assets	₹ In lakhs	₹ In lakhs	
Trade Receivables	20,240.38	12,968.29	Amortised cost
Other Financial Assets	662.76	1,108.43	Amortised cost
Cash and Cash Equivalents	2,553.62	2,722.00	Amortised cost
Other Bank Balances	9,306.98	15,632.67	Amortised cost
Total Financial Assets	32,763.74	32,431.39	
Financial Liabilities			
Borrowings	0.00	0.00	Amortised cost
Trade Payables	4,934.49	3,819.28	Amortised cost
Other Financial Liabilities	2,176.66	2,049.24	Amortised cost
Total Financial Liabilities	7,111.15	5,868.52	

(2) Capital Management

The Company manages its capital to ensure to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance.

(3) Financial risk management objectives

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the company. These risks include market risk (like- currency risk, interest rate risk and other price risk), credit risk and liquidity risk. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The- Company does not enter into or trade of financial instruments, including derivative financial instruments for speculative purposes.

(4) Market Risk

The Company's activities exposes it primarily to the financial risks which will fluctuate due to change in market prices.

(a) Interest rate risk management

The company does not have any loans, hence it is not exposed to any interest risk.

(b) Foreign Currency risk management

The company has spent foreign currency towards foreign travel expenses during the previous year.

(5) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transact with entities that are rated by agencies where available and if not available, the company uses other publicly available financial information and its own past records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are monitored and the aggregated value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Senior management committee.

(6) Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as on March 31st, 2024 and March 31st 2023

	As on March 31, 2024				
	Carrying amount	Contractual cash flows	less than 1 year	between 1 - 5 years	More than 5 years
	` In lakhs	` In lakhs	` In lakhs	` In lakhs	` In lakhs
Trade payables	4,934.49	4,934.49	4,934.49	-	-
Other financial liabilities	2,176.66	2,176.66	2,176.66	-	-
	7,111.15	7,111.15	7,111.15	-	-

	As on March 31, 2023				
	Carrying amount	Contractual cash flows	less than 1 year	between 1 - 5 years	More than 5 years
	` In lakhs	` In lakhs	` In lakhs	` In lakhs	` In lakhs
Trade payables	3,819.28	3,819.28	3,819.28	-	-
Other financial liabilities	2,049.24	2,049.24	2,049.24	-	-
	5,868.52	5,868.52	5,868.52	-	-

(7) Fair value Measurement

Some of the Companies financial assets and financial liabilities are measured at fair value at the end of the reporting period.

37 - Related party transactions

		₹ In lakhs	
Particulars		Current year 31.03.2024	Previous year 31.03.2023
Shri Satadal Mitra (Upto 30th April 2023)	Chief Financial Officer		
Short Term Benefits		28.30	48.10
Post Employment Benefits		-	0.98
Other Long Term Benefits		-	(1.21)
Shri Ashok Mishra (From 1st April, 23 to 26th Feb, 24)	Company Secretary		
Short Term Benefits		22.40	20.80
Post Employment Benefits		(4.62)	0.49
Other Long Term Benefits		(6.17)	0.87
Shri Nishant Agrawal (From 27th Feb 2024)	Company Secretary		-
Short Term Benefits		1.13	-
Post Employment Benefits		0.01	-
Other Long Term Benefits		0.04	-
Shri Sumit Kumar Roy (From 18th May 2023)	Chief Financial Officer		
Short Term Benefits		28.58	-
Post Employment Benefits		3.20	-
Other Long Term Benefits		2.01	-
MSTC LTD.	(Holding Company)		
E-Office and HRMS Software		-	14.68
E-Office and HRMS Software AMC & others		2.45	-
Paid Service charge against e-Auction		1.59	0.07
INDEPENDENT DIRECTOR'S SITTING FEES		Current year 31.03.2024	Previous year 31.03.2023
Shri Adya Prasad Panday		2.55	2.10
		2.55	2.10

No loan was given to Directors/KMP/Related Party as defined under Companies Act, 2013.

FERRO SCRAP NIGAM LIMITED

₹ In Lakhs

38- Contingent Liabilities & Commitments

SI No.	Particulars	As at March 31, 2024	As at March 31, 2023
(1) Contingent Liabilities			
(a) Claims against the company not acknowledged as debt			
(i)	For compensation to ex-employees and others under adjudication estimated at	853.39	831.18
(ii)	For repair job at Dolvi Unit claimed by M/s Audumber Engineering Works as per Civil Suit with Civil Judge, Alibag	52.93	50.19
	Sub Total	906.32	881.37
(b) Service Tax			
(i)	Service Tax on "Business Auxiliary Services" at Bokaro unit as ordered by Commissioner Central Excise and Customs, Ranchi, pending before CESTAT, Kolkata. Sept 2004 to Feb 2005 and Feb 2008 to March 2010	-	827.95
(ii)	Service tax on "Business Auxiliary Services" at Burnpur unit as ordered by Assistant Commissioner, Central Excise , Asansol pending before Tribunal & Commissioner (Appeal), Kolkata, Period April 2005 to Sept 2006	-	75.36
(iii)	Service tax on "Cargo Handling Services" at Bhilai unit as ordered by Dy Commissioner Div-1, Bhilai, pending before CESTAT, Delhi , Period Aug 2002 to June 2003	370.88	359.81
(iv)	Service tax on "Cargo Handling Services" at Duburi unit Demanded by Commissioner, Central Excise, Bhubaneswar for the period from May 2004 to March 2007, pending before Appellate Authorities (CESTAT), Kolkata	-	500.71
(v)	Service Tax on "Business Auxiliary Service" at Durgapur Steel Plant for the period April'2008 to May'2009, pending before CESTAT, Kolkata and Commissioner (Appeal), Kolkata.	-	794.15
(vi)	Service Tax on "Cargo Handling Services" at Duburi unit as demanded by Commissioner, Bhubaneswar for the period April'2009 to March'2010 is pending before CESTAT, Kolkata.	-	272.70
(vii)	Service Tax on "Business Auxiliary Service" at Durgapur Unit as demanded by Commissioner, Central Excise, Bolpur for the period October 2009 to March 2010, is pending before CESTAT, Kolkata.	-	281.10
(viii)	Service tax on "Cargo Handling Services" at Duburi unit demanded by Joint Commissioner, Central Excise, Bhubaneswar for the period from April 2007 to March 2009, pending before CESTAT, Kolkata	-	319.82
(ix)	Service Tax on value of oxygen supplied free of cost by SAIL , Bokaro to FSNL as demanded by Additional Commissioner, Central Excise & Service Tax, Ranchi - II for the period October 2010 to March 2015. Pending before CESTAT	46.74	44.55
	Sub Total	1,323.94	3,476.15

FERRO SCRAP NIGAM LIMITED

38- Contingent Liabilities & Commitments

		₹ In Lakhs	
Sl No.	Particulars	As at March 31, 2024	As at March 31, 2023
(c) Sales Tax and Other Taxes			
1	For Sales Tax at Durgapur as demanded by West Bengal Sales Tax Department, pending before Sales Tax Tribunal, Kolkata.	2.94	2.94
2	For Penalty regarding registration of Vehicles with RTO, Vizag	79.84	79.84
	Sub Total	82.78	82.78
c. Outstanding Bank Guarantees		14.00	14.00
	Sub Total	14.00	14.00
	Grand Total	1,420.72	4,454.30
(2) Commitments			
	Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	115.95	445.44

39-Micro Small and Medium Enterprises

The amount due to MSME (as disclosed in note no 21) have been determined to the extent such Parties have been identified on the basis of information collected by the management. The company has normally made payment to MSME units in due time and there are no claim from the parties for interest or overdue payment. The company is following the guidelines of Public Procurement Policy for Micro & Small Enterprises (MSMEs) Order 2012.

40- Expenditure Incurred on Corporate Social Responsibility Activities

In pursuant to provisions of Section 135 of the Companies Act 2013, and rules made there under and in consonance with the direction of Ministry of Steel, communication of Ministry of Steel and office Memorandum no CSR-05/1/2020-CSR-MCA dated 28/03/2020 read together with appeal of Secretary, Ministry of Corporate Affairs dated 30/03/2020, the company has contributed Rs 500.00 Lakhs on 02/04/2020 to Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund "PM CARES Fund" with primary objective for dealing with any kind of emergency or distress situation such as that posed by COVID – 19 pandemic against CSR Budget for F.Y. 2020-21.

Further in accordance with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 effective from 22.01.2021 were notified which prescribes that "Where a company spends an amount in excess of requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that –

- the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.
- the Board of the company shall pass a resolution to that effect.

Further as per Section 135 of the Companies Act, 2013 and rules made thereunder from time to time the CSR expenditure obligation of Rs 92.00 Lakhs for the financial year 2023-24 has been set off from the excess contribution of Rs 433.00 Lakhs made by the company by way of contribution of Rs 500.00 Lakhs to Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund "PM CARES Fund" in the financial year 2020-21". The CSR Budget for F.Y. 2023-24 is Rs 92.00 Lakhs.

There is no related party transaction involved in CSR expenditure.

FERRO SCRAP NIGAM LIMITED

41- Analytical Ratios

		As at March 31, 2024		As at March 31, 2023	Variance (%)	Notes
i	Current Ratio (times) (Current Assets/Current Liabilities)	$\frac{34,289.77}{10,851.89} = 3.16$		$\frac{33,769.01}{14,075.51} = 2.40$	31.67%	1
ii	Debt - Equity Ratio (times) (Total Debt/Shareholder's Equity)	$\frac{36.95}{25,741.31} = 0.00$		$\frac{46.68}{21,852.64} = 0.00$	0.00%	
iii	Debt Service Coverage Ratio (times) (Earning available for debt service/Debt Service)	$\frac{8,176.49}{37.20} = 219.80$		$\frac{5,384.63}{46.50} = 115.80$	89.81%	2
iv	Return on Equity (ROE) (PAT/Average Share holders Equity)	$\frac{6,492.37}{23,796.97} = 0.27$		$\frac{3,837.87}{21,526.45} = 0.18$	50.00%	3
v	Trade receivables turnover ratio (times) (Net Credit Sales/ Avg.Accounts Receivables)	$\frac{43,461.01}{16,604.34} = 2.62$		$\frac{39,624.88}{13,502.72} = 2.93$	-10.58%	
vi	Trade Payables turnover ratio (times) (Purchase of goods and services/ Avg. Trade Payable for the	$\frac{23,701.98}{4,376.89} = 5.42$		$\frac{23,275.61}{3,450.76} = 6.75$	-19.72%	
vii	Net working capital turnover ratio (times) (Net Sales/Working Capital)	$\frac{43,461.01}{23,437.88} = 1.85$		$\frac{39,624.88}{19,693.50} = 2.01$	-7.96%	
viii	Net profit ratio (%) (PAT/Net Sales)	$\frac{6,492.37}{43,461.01} = 0.15$		$\frac{3,837.87}{39,624.88} = 0.10$	50.00%	4
ix	Return on capital employed (ROCE) (%) (EBIT/Capital employed)	$\frac{8,820.98}{25,741.31} = 0.34$		$\frac{5,134.55}{21,852.64} = 0.23$	47.82%	5
x	Return on Investment (ROI) (%) (Total income from investment/Avg Investment for the year)	$\frac{-}{-} = 0.00$		$\frac{-}{-} = 0.00$	0.00%	6

Notes

- 1 Current Ratio increased by 31.67 % due to increase in Current Assets and decrease in Current Liability as compare to previous year.
 - 2 Debt Service Coverage Ratio has increased by 89.78% due to increase in profit and decrease in Debt as copared to Previous Year.
 - 3 Return on Equity has improved as compared to Previous year due to increase in revenue from Operation from Rs.396.25 Cr to Rs.434.61Cr.
 - 4 Net Profit Ratio has improved by 50% as compared to previous year due to increase in revenue from operations.
 - 5 The Return on capital Employed has improved in comparision to previous year due to increase in Operating Profit.
 - 6 Company has not made any Investment during the year and in previous year.
42. The current assets, loans and advances are good and recoverable and are approximately of the values, if realized in the ordinary course of business unless and to the extent stated otherwise in the accounts. Balances of trade payables, trade receivables, loans and advances are subject to reconciliation and confirmation.
 43. The company reviews the carrying amount of its fixed assets treating the entire company as a Cash Generating Unit (CGU). Hence, the company (being a CGU) has compared the carrying amount of its fixed assets with present value of future cash flows and it does not show any impairment.
 44. During F.Y 2023-24 the new wage agreement of Non-executive employees has been finalized. The revised wages to Non-executive Employees w.e.f. 1st January 2017 has been paid during the F.Y-2023-24. Provision of Rs. 7,430.65 Lakhs from January 2017 to September 2023 towards wage revision of non-executive employees which includes the provision of Rs. 1,912.43 Lakhs upto 30th sept 2023. After payment of revised wages to non-executives w.e.f 01/01/2017. Provision of Rs.2,222.62 Lakhs has been transferred to "Provision No Longer Required".
 45. A pension scheme has been introduced for Non-executive Employees w.e.f 13/04/2022 in line with Wage Revision Agreement A provision of Rs. 453.46 lakhs has been provided for the period 13/04/2022 to 31/03/2024 during the F.Y 2023-24.

46. During the FY 2023-24 the company has declared and paid Interim Dividend of Rs. 1,280.00 Lakhs i.e. 40% of paid-up equity share capital to the shareholders of M/s MSTC (Holding Company).
The Final Dividend for the F.Y 2022-23 paid during the F.Y. 2023-24 was Rs. 1,280.00 Lakhs to the shareholders of M/s MSTC (Holding Company).
47. During the F.Y. 2023-24 provision for an amount of Rs. 65.33 Lakhs has been created towards value of Fixed Assets Awaiting for Disposal.
48. Trade Receivables (Current) at Note No -12
As on 31st March 2024, Trade Receivable includes Unbilled amount of Rs. 6647.46 Lakhs which includes Rs 1,780.01 Lakhs for Bhilai unit on which provision has been made. As on 31st March 2023 includes unbilled amount of Rs. 5,962.21 Lakhs which includes Rs.1,780.01 lakhs for Bhilai unit on which provision has been made.
49. Trade payable at Note no-21
As on 31st March 2024 Trade payable includes Rs.2,613.18 Lakhs for which bills have not been received. As on 31st March 2023 Trade payable includes Rs. 1,093.04 lakhs for which bills have not been received.
50. On 25th day of March,2022 the Contract Agreement between M/s NMDC Limited and M/s FSNL was signed for handling and processing work of Iron & Steel Slag and Recovery of Scrap for a period of 2 years from the date of actual start of job at Nagarnar Steel Plant in Jagdalpur, Chhattisgarh, India. The Operational activity at Nagarnar Steel plant has started from 10th June 2023.
51. During the F.Y. 2023-24 provisions for an amount of Rs. 356.00 Lakhs has been created towards Provision for Bad and Doubtful Debts for Trade Receivables aged more than two years. The total provision for Bad and doubtful Debts is Rs.890.00 Lakhs as on 31st March 2024.
52. The land on which the plant and building of the company are situated at Rourkela, Burnpur, Bhilai, Bokaro, Vizag, Durgapur, Salem, Nagarnar, Midhani are neither freehold nor leasehold. The company has acquired the right of free use from landholders as a part of the service agreement. The company has however, acquired leasehold land from SAIL - BSP on perpetual lease of 33 years w.e.f 29th December 2021 on which the Registered office Building has been constructed.
53. FSNL has been providing services to Arcelor Mittal Nippon Steel India Ltd (AM/NS India), Hazira for the job of Slag and Scrap Processing from Dt-01.12.2017 and the long-term agreements was valid upto 31.12.2023. The operational activity have stopped from Dt-01.01.2024.
54. The fair value of Assets classified as held for sale is more than the carrying amount of the asset.
55. The Ministry of Steel, Govt of India has initiated the process of 100 % strategic disinvestment of FSNL and Department of Investment and Public Asset Management (DIPAM) has appointed the intermediaries i.e. Transaction Advisor, Legal Advisor and Asset Valuer for 100 % Strategic Disinvestment of FSNL.
The shareholders of MSTC Limited in Extra-ordinary General meeting dated 22.12.2021 have decided to sale the entire stake in Ferro Scrap Nigam Limited (FSNL). Accordingly the process for sale has already started.
56. The company has not traded or involved in Crypto or Virtual currency during the year.
57. Figures of the previous years have been split up and regrouped wherever necessary so as to correspond to current year's figures.

For V.RAWAL & Co
Chartered Accountants
FRN. 011303N

Sd/-
(CA Kriti Kumar Jain)
Partner
Membership No.: 462792

Place : Bhilai
Date : 21/05/2024

Sd/-
(Nishant Agrawal)
Company Secretary

Sd/-
(Bhanu Kumar)
Director
DIN - 07982360

For and on behalf of the Board of Directors of
Ferro Scrap Nigam Limited

Sd/-
(Sumit Kumar Roy)
Asst- General Manager (F&A) & CFO

Sd/-
(Manobendra Ghoshal)
Chairman and Managing Director
DIN - 09762368



गणतंत्र दिवस 2024

Republic Day 2024



15 अगस्त 2023

15 August 2023



सांस्कृतिक कार्यक्रम
Cultural Program



राजभाषा कार्यशाला
Rajbhasha Workshop



राजभाषा माह के दौरान आयोजित हिंदी भाषण प्रतियोगिता
Hindi Speech Competition during
Rajbhasha Month



सतर्कता जागरूकता सप्ताह
Vigilance Awareness Week

