



MDN/CS/COMPLIANCE/2023-24

May 27, 2023

BSE Limited,
P.J. Towers, Dalal Street
Mumbai- 400001

National Stock Exchange of India Limited,
Exchange Plaza, C-1, G Block,
Bandra Kurla Complex, Bandra (East)
Mumbai - 400051

Scrip Code: 541195

Trading Symbol: MIDHANI

Sub: Annual Secretarial Compliance Report for the year ended March 31, 2023 - Regulation 24 (A)(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended ("SEBI LODR")

Dear Sir/Madam,

In terms of Regulation 24A(2) of the SEBI LODR, please find enclosed Annual Secretarial Compliance Report of Mishra Dhatu Nigam Limited for the financial year ended March 31, 2023.

This is for your information and records.

Thanking you



Yours faithfully,

For Mishra Dhatu Nigam Limited

Paul Antony

Company Secretary & Compliance officer

e-mail: company.secretary@midhani-india.in

Encl: As above

मिश्र धातु निगम लिमिटेड

MISHRA DHATU NIGAM LIMITED

(भारत सरकार का उद्यम)

(A Govt. of India Enterprise)

पंजीकृत कार्यालय: पी.ओ. कंचनबाग, हैदराबाद, तेलंगाना -500058

Registered Office: P.O. Kanchanbagh, Hyderabad, Telangana-500058

फोन Telephone: 040-24184000, फैक्स Fax: 040-24340039

निगमित पहचान सं. CIN: L14292TG1973GOI001660

वेबसाइट Website: www.midhani-india.in



SECRETARIAL COMPLIANCE REPORT OF MISHRA DHATU NIGAM LIMITED FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **Mishra Dhatu Nigam Limited** (hereinafter referred as 'the listed entity' or 'MIDHANI') {CIN: L14292TG1973GOI001660} having its Registered Office at P.O. Kanchanbagh, Hyderabad-500058, Telangana. Secretarial Review was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents, and authorized representatives during the conduct of Secretarial Review, we hereby report that in our opinion, the listed entity has, during the review period covering the financial year ended on 31st March 2023, complied with the statutory provisions listed hereunder and also that the listed entity has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We, **Puttaparathi Jagannatham & Co., a firm of Practicing Company Secretaries, Hyderabad**, have examined:

- a) all the documents and records made available to us and explanation provided by **Mishra Dhatu Nigam Limited** ('the listed entity' or 'MIDHANI'),
- b) the filings/ submissions made by the listed entity to the stock exchanges,
- c) Website of the listed entity,
- d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the financial year ended 31st March 2023 ("Review Period") in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");



The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:

- (a) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) as amended;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not Applicable to the Company during the review period;**
- (c) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended;
- (d) SEBI (Buyback of Securities) Regulations, 2018; **Not Applicable to the Company during the review period;**
- (e) SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not Applicable to the Company during the review period;**
- (f) SEBI (Prohibition of Insider Trading)) Regulations, 2015 as amended;
- (g) SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **Not Applicable to the Company during the review period;**
- (h) SEBI (Depositories and Participants) Regulations, 2018;
- (i) SEBI (Debenture Trustee) Regulations, 1993; **Not Applicable to the Company during the review period;**
- (j) Framework for listing of Commercial Paper, issued by SEBI vide Circular SEBI/HO/DDHS/CIR/P/2019/115 dated 22nd October, 2019; and
- (k) circulars/ guidelines issued thereunder;

and based on the above examination, we hereby report that, during the review period:



- a) The listed entity has maintained proper records under the provisions of the above Regulations and Circulars/ Guidelines issued thereunder in so far as it appears from my/our examination of those records.
- b) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matter specified in **Annexure – A** to the report.
- c) The listed entity has taken the following actions to comply with the observations made in previous reports as appended as **Annexure – B** to the report.
- d) The listed entity has complied with the provisions of Para 6 of Circular No. CIR/ CFD/ CMD1/114/2019 issued by SEBI on 18th October, 2019 in terms of appointment of Statutory Auditors / Resignation of Statutory Auditors of Listed Entity; *No reportable event during the review period and as informed by the management of the Company, the appointment of the listed entity's (Government Company) Statutory Auditor has been done by the office of the Comptroller and Auditor General of India (C&AG) as per the provisions of section 139(5) of the Companies Act, 2013. The appointment letter also contains the terms of appointment of the Statutory Auditors. Since terms of appointment were fixed by the C&AG, compliance by the listed entity with 6(A) and 6(8) of SEBI circular number CIR/CFD/CMDI/114/2019 dated October 18, 2019, are not applicable. Hence, we cannot comment on the said compliance.*
- e) In terms of the NSE Circular Ref No: NSE/CML/ 2023/30 dated 10th April, 2023 and the BSE Circular No: 20230410-41 dated 10th April, 2023, and amendments therein, our affirmations, is appended as below:



Sr. No.	Particulars	Compliance Status (Yes/ No/NA)	Observations/ Remarks by PCS
1	Secretarial Standard The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	None
2	Adoption and timely updation of the Policies: <ul style="list-style-type: none">• All applicable policies under SEBI Regulations are adopted with the approval of the board of directors of the listed entities.• All the policies are in conformity with SEBI Regulations and have been reviewed & timely updated as per the regulations/ circulars/ guidelines issued by SEBI.	Yes	None
3	Maintenance and disclosures on the Website: <ul style="list-style-type: none">• The Listed entity is maintaining a functional website.• Timely dissemination of the documents/ information under a separate section on the website.• Web links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website.	Yes	None
4	Disqualification of Director: None of the Directors of the Company are disqualified under Section 164 of the Companies Act, 2013 as confirmed by the listed entity.	Yes	None



Sr. No.	Particulars	Compliance Status (Yes/ No/NA)	Observations/ Remarks by PCS
5	Details related to Subsidiaries of listed entities have been examined w.r.t.: (a) Identification of material subsidiary companies. (b) Disclosure Requirements of material as well as other subsidiaries.	NA	No subsidiaries exist as on date of issuance of this report.
6	Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	None
7	Performance Evaluation: The listed entity has conducted performance evaluations of the Board, Independent Directors (IDs), and the Committees at the start of every financial year as prescribed in SEBI Regulations.	*Yes	* As per the exemption given, evaluation of IDs is not applicable.
8	Related Party Transactions: (a) The listed entity has obtained prior approval of the Audit Committee for all Related party transactions; or (b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained.	Yes	None
9	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	None



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Sr. No.	Particulars	Compliance Status (Yes/ No/NA)	Observations/ Remarks by PCS
10	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	None
11	Actions taken by SEBI or Stock Exchange(s), if any: No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder except as provided under separate paragraph herein (*).	Yes	Self-Explanatory
12	No additional non-compliance was observed for any SEBI regulation/circulars/guidance note etc.	Yes	Self-Explanatory

Place: Hyderabad
Date: 27th May 2023

For Puttaparthi Jagannatham & Co.
Company Secretaries

PUTTAPA RTHI
NAVAJY OTH

Digitally signed
by
PUTTAPARTHI
NAVAJYOTH
Date:
2023.05.27
11:29:56 +05'30'

CS Navajyothi Puttaparthi
Partner

FCS No: 9896; C P No: 16041
Peer Review Certificate No. 1158/2021
UDIN: F009896E000395633



Annexure – A

The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below: -

Sr. No	Compliance Requirement (Regulations/ Circulars/ Guidelines including specific clauses)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action (Advisory/ Clarification/ Fine/ Show Cause Notice/ Warning, etc.)	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
1	17	17(1)(b)	During the review period, half of Board of Directors of listed entity does not comprise of Independent Directors. Hence, Company is not compliant with Regulation 17(1)(b) of SEBI (Listing Obligations and Disclosure Requirements)	BSE & NSE	Fine	The Company has been non-compliant with Regulation 17(1)(b) of SEBI LODR throughout FY 2022-23. Stock Exchanges i.e., BSE Limited (BSE) and National Stock Exchange of India (NSE) have levied penalties.	For FY 2022-23 a cumulative fine of Rs. 35,11,680/- (all inclusive) has been levied.	Refer note No.1	Refer note No.1	The waiver request is still pending with NSE & BSE and Company has not paid any fine(s) to either of the Stock Exchange(s).



			Regulations, 2015. (SEBI LODR)							
2	19	19(1)	During the review period, listed entity did not constitute Nomination and Remuneration Committee (NRC) till July 26, 2022	BSE & NSE	Fine	Administrative Ministry, appointed Smt. V.T. Rema as Woman Independent Director on the Board of MIDHANI w.e.f. April 5, 2022. Consequent to her appointment, listed entity had appropriate no. of Independent Director and non-executive Directors to constitute NRC. However, listed entity did not constitute NRC till July 26, 2022.		Refer note No.2	Refer note No.2	Company is awaiting reply from NSE & BSE on waiver request

Remarks of the Practicing Company Secretary:

- The listed entity being a Govt. Company under Administrative Control of Ministry of Defence has no role in appointment of Directors on the Board of listed entity. As per Articles of Association of the listed entity, the Authority of appointment of Directors on the Board vests with The President of India acting through the Administrative Ministry. The listed entity has submitted fine waiver request as per SEBI's Policy for exemption of fines levied as per the provisions of SEBI SOP Circular. The listed entity has also submitted a waiver request to BSE*



and NSE as per NSE's Circular NSE/CML/51846 dated March 31, 2022. The waiver request is still pending with NSE & BSE and Company has not paid any fine(s) to either of the Stock Exchange(s).

2. The Nomination & Remuneration Committee (NRC) was suspended by the Board w.e.f. November 11, 2020. The Committee was suspended due to absence/vacant positions of Independent Directors. Administrative Ministry i.e., Ministry of Defence have appointed two (2) Independent Directors i.e., Shri Valluri Chakrapani (DIN: 00867270) and Smt. V.T. Rema (DIN: 09561611) on December 24, 2021 and April 5, 2022 respectively on the Board. Consequent, upon appointment of Smt. V.T. Rema, Board of listed entity comprised of two (2) Executive Directors; two (2) Independent Directors; and one (1) Govt. Nominee Director which was appropriate to constitute a Nomination and Remuneration Committee in line with Regulation 19 of SEBI Listing Regulations. However, listed entity constituted NRC w.e.f. July 27, 2022 in line with Regulation 19 of SEBI Listing Regulations.

Management Response:

1. MIDHANI, being a Govt. Company under Administrative Control of Ministry, the Company had submitted a fine waiver request to Stock Exchange(s) stating that the Company is a Defence Public Sector Unit (DPSU) under the administrative control of Ministry of Defence, Department of Defence Production, Government of India. Since, MIDHANI is a DPSU the appointments of Directors on the Board are taken care by Ministry of Defence (MoD) Department of Defence Production, it has no role in recommendation/appointment of Director on the Board.

The listed entity also informed this matter to the Administrative Ministry i.e., Ministry of Defence, well in advance for the appointment of requisite Independent Director on the Board of the Company through various correspondences. The process of appointment of Directors by MoD is followed by multi-level approvals and the listed entity has no role apart from timely intimation to MoD regarding vacancies.

As the listed entity is not responsible for appointment of directors, it has requested for the waiver of the penalty imposed by both the Stock Exchange(s). Accordingly, the said matter was placed before the respective committees of the Stock Exchange(s). BSE Limited has waived off penalties levied for quarter ended on September 2020 and December 2020.

Furthermore, MIDHANI submitted a fine waiver request to BSE & NSE in line with NSE's Circular bearing Ref No. NSE/CML/51846 dated 31.03.2022. However, MIDHANI is yet to receive any response on the same.



MIDHANI will continue to be non-compliant with Regulation 17(1)(b) till such time vacancies of two (2) Independent Directors on the Board are duly filled in by Administrative Ministry.

- 2. The Nomination & Remuneration Committee (NRC) was suspended by the Board w.e.f. November 11, 2020. The Committee was suspended due to absence/vacant positions of Independent Directors. The Committee continued to remain suspended as only two (2) Independent Directors i.e., Shri Valluri Chakrapani (DIN: 00867270) and Smt. V.T. Rema (DIN: 09561611) were appointed by Administrative Ministry on December 24, 2021 and April 5, 2022 respectively, and two (2) more posts continued to remain vacant.*

However, in view of penalties imposed by the exchanges, and based on request by the Board Members, the Government Nominee Director being a Non-Executive Director agreed to be part of only NRC Committee till such time as one more Independent Director is appointed on Board. He was accordingly inducted as member of NRC at the Board Meeting held on July 27, 2022.

MIDHANI has thus w.e.f. July 27, 2022 complied with the provisions of pertaining to constitution of NRC.



Annexure - B

The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No	Compliance Requirement (Regulations/ Circulars/ Guidelines including specific clauses)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action (Advisory/ Clarification/ Fine/ Show Cause Notice/ Warning, etc.)	Details of Violation	#Fine Amount	Observations/ Remarks of the Practicing Company Secretary	@Management Response	Remarks
1	17	17(1)(a) of SEBI (LODR)	As on 31st March, 2022, the Board of Directors of the Listed Entity does not have at least one-Woman Director on their Board and the Composition of the Board of Directors does not comprise of at least 50% of the Directors as Non-Executive Directors till 24th	BSE & NSE	Fine	The Board of Directors shall have an optimum combination of executive and non-executive Directors with at least one-Woman Director and not less than 50% of the Board of Directors shall comprise of non-Executive directors.	#Refer note	As required under Regulation 17(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The listed Entity does not have at least one-Woman Director on their Board and the Composition of the Board of Directors does not consist of at least 50%	@Refer Note	NA



Sr. No	Compliance Requirement (Regulations/ Circulars/ Guidelines including specific clauses)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action (Advisory/ Clarification/ Fine/ Show Cause Notice/ Warning, etc.)	Details of Violation	#Fine Amount	Observations/ Remarks of the Practicing Company Secretary	@Management Response	Remarks
			December, 2021.					of the Directors as Non-Executive Directors till 24 th December 2021.		
2	17	17(1)(a) of SEBI (LODR)	Listed Entity does not have at least one Independent Woman Director on their Board.	BSE & NSE	Fine	The Board of Directors of the top 500 listed entities shall have at least one Independent Woman Director by April 1, 2019 and the Board of Directors of the top 1000 listed entities shall have at least one Independent Woman Director by April 1, 2020.		Woman Director on their Board as required under proviso to Regulation 17(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.		NA
3	17	17(1)(b) of SEBI (LODR)	Since, the Chairman of the Listed Entity is an Executive Director, the Listed Entity	BSE & NSE	Fine	Where the listed entity does not have a regular Non-Executive Chairperson then at least half of the Board of Directors shall comprise of		As required under Regulation 17(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,		NA



Sr. No	Compliance Requirement (Regulations/ Circulars/ Guidelines including specific clauses)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action (Advisory/ Clarification/ Fine/ Show Cause Notice/ Warning, etc.)	Details of Violation	#Fine Amount	Observations/ Remarks of the Practicing Company Secretary	@Management Response	Remarks
			shall have at least half of the Board of Directors as Independent Directors. However, as on 31st March, 2022 the Listed Entity have only one Independent Director on their Board.			Independent Directors.		the Listed Entity does not have at least half of the Board of Directors as Independent Directors.		
4	17	17(1)(c) of SEBI (LODR)	As on 31st March, 2022 have only 4 Directors on their Board.	BSE & NSE	Fine	The Board of directors of the top 1000 listed entities (with effect from April 1, 2019) and the top 2000 listed entities (with effect from April 1, 2020) shall comprise of not less than six directors.		As on 31 st March, 2022, the Listed Entity does not have at least 6 Directors on their Board as required under Regulation 17(1)(c) of the SEBI (Listing Obligations and Disclosure		NA



Sr. No	Compliance Requirement (Regulations/ Circulars/ Guidelines including specific clauses)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action (Advisory/ Clarification/ Fine/ Show Cause Notice/ Warning, etc.)	Details of Violation	#Fine Amount	Observations/ Remarks of the Practicing Company Secretary	@Management Response	Remarks
								Requirements) Regulations, 2015.		
5	17	17(2A) of SEBI (LODR)	There was no Independent Director on the Board of the Listed Entity till 24th December, 2021. Therefore, the quorum for the Board Meetings held on 24th June, 2021, 12th August, 2021, 09th November, 2021 was not as per Regulation 17 (2A) of the SEBI (Listing Obligations	BSE & NSE	Fine	The quorum for every meeting of the board of directors of the top 1000 listed entities with effect from April 1, 2019 and of the top 2000 listed entities with effect from April 1, 2020 shall be one-third of its total strength or three directors, whichever is higher, including at least one Independent Director.		The quorum for the Board Meetings held on 24th June, 2021, 12th August, 2021 and 09th November, 2021 was not in line with the provisions of the Regulation 17 (2A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.		NA



Sr. No	Compliance Requirement (Regulations/ Circulars/ Guidelines including specific clauses)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action (Advisory/ Clarification/ Fine/ Show Cause Notice/ Warning, etc.)	Details of Violation	#Fine Amount	Observations/ Remarks of the Practicing Company Secretary	@Management Response	Remarks
			and Disclosure Requirements) Regulations, 2015.							
6	18	18(1)(a) & (b) of SEBI (LODR)	During the review period, the Listed Entity does not have Audit Committee as there are no Independent Directors on their Board.	BSE & NSE	Fine	Every listed entity shall constitute Independent Audit Committee with minimum 3 Directors as its members and with Two-thirds of its members as the Independent Directors.		During the review period, there was no Audit Committee constituted by the Listed Entity as required under Regulation 18(1)(a) and (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.		NA
7	18	18(2)(a) of SEBI (LODR)	Since, there was no Audit Committee constituted by the Listed Entity. Therefore, there was no	BSE & NSE	Fine	The Audit Committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings.		As required under Regulation 18(2)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit		NA



Sr. No	Compliance Requirement (Regulations/ Circulars/ Guidelines including specific clauses)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action (Advisory/ Clarification/ Fine/ Show Cause Notice/ Warning, etc.)	Details of Violation	#Fine Amount	Observations/ Remarks of the Practicing Company Secretary	@Management Response	Remarks
			Audit Committee Meetings held during the review period.					Committee did not meet atleast 4 times in a year as there was no Audit Committee constituted by the Listed Entity due to non-presence of Independent Directors on the Board.		
8	Schedule II	Schedule II Part C of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:	Committee constituted by the Listed Entity the role and the review of minimum information was undertaken by the Board instead of Audit Committee.	BSE & NSE	Fine	Role of the Audit Committee and Review of information by the Audit Committee		the Listed Entity does not have Audit Committee due to non-presence of Independent Directors on the Board. Accordingly, the role and the review of minimum information by the Audit Committee could not be undertaken as required under		NA



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Sr. No	Compliance Requirement (Regulations/ Circulars/ Guidelines including specific clauses)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action (Advisory/ Clarification/ Fine/ Show Cause Notice/ Warning, etc.)	Details of Violation	#Fine Amount	Observations/ Remarks of the Practicing Company Secretary	@Management Response	Remarks
								Schedule II Part C of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Note: However, the Board had undertaken the role and reviewed the minimum information as required to be undertaken by the Audit Committee.		
9	19	19(1) of SEBI (LODR)	During the review period, the Listed Entity does not have requisite number of Independent Directors and Non-Executive	BSE & NSE	Fine	The Board of Directors shall constitute the Nomination & Remuneration Committee (NRC) comprising of minimum 3 Directors and all of them shall be non-executive		During the review period, there was no NRC constituted by the Listed Entity as required under Regulation 19(1) of the SEBI (Listing Obligations and Disclosure		NA



Sr. No	Compliance Requirement (Regulations/ Circulars/ Guidelines including specific clauses)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action (Advisory/ Clarification/ Fine/ Show Cause Notice/ Warning, etc.)	Details of Violation	#Fine Amount	Observations/ Remarks of the Practicing Company Secretary	@Management Response	Remarks
			Director on their Board, therefore there was no NRC constituted.			directors and atleast 50% of the directors shall be independent directors.		Requirements) Regulations, 2015.		
10	19	19(3A) of SEBI (LODR)	Since, there was no NRC constituted by the Listed Entity. Therefore, there was no NRC Meetings held during the review period.	BSE & NSE	Fine	The Nomination & Remuneration Committee shall meet at least once in a year..		During the review period, the NRC did not meet at least once in a year as there was no NRC constituted by the Board due to non-presence of requisite number of Independent Directors and Non-Executive Directors on their Board as required under Regulation 19(1) of the SEBI (Listing Obligations and Disclosure		NA



Sr. No	Compliance Requirement (Regulations/ Circulars/ Guidelines including specific clauses)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action (Advisory/ Clarification/ Fine/ Show Cause Notice/ Warning, etc.)	Details of Violation	#Fine Amount	Observations/ Remarks of the Practicing Company Secretary	@Management Response	Remarks
								Requirements) Regulations, 2015,		
11	20	20(1), (2) &(2A) of SEBI LODR	During the review period, the Listed Entity does not have a Stakeholders Relationship Committee.	BSE & NSE	Fine	The Stakeholders Relationship Committee shall comprise of at least three directors, with at least one being an independent Director and the Chairman shall be an Non-Executive Director.		As on 31 st March, 2022, there was no Stakeholders Relationship Committee constituted by the Listed Entity as required under Regulation 20 (2A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.		NA
12	20	20(3)(A) of SEBI LODR	Since, there was no Stakeholders Relationship Committee constituted. Therefore, there was no Stakeholders	BSE & NSE	Fine	The Stakeholders Relationship Committee shall meet at least once in a year.		During the review period, the Stakeholders Relationship Committee has not met at least once in a year as there is no Stakeholders Relationship		NA



Sr. No	Compliance Requirement (Regulations/ Circulars/ Guidelines including specific clauses)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action (Advisory/ Clarification/ Fine/ Show Cause Notice/ Warning, etc.)	Details of Violation	#Fine Amount	Observations/ Remarks of the Practicing Company Secretary	@Management Response	Remarks
			Relationship Committee Meeting(s) held during the review period.					Committee constituted as required under Regulation 20 (3A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.		
13	21	21(1) of SEBI LODR	There was no Risk Management Committee constituted till 07 th January, 2022 by the Listed Entity due to non-presence of Independent Directors on their Board.	BSE & NSE	Fine	The Board of directors shall constitute a Risk Management Committee.		There was no Risk Management Committee constituted till 07 th January, 2022 due to non-presence of Independent Directors on the Board of the Listed Entity as required under Regulation 21(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.		NA



Sr. No	Compliance Requirement (Regulations/ Circulars/ Guidelines including specific clauses)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action (Advisory/ Clarification/ Fine/ Show Cause Notice/ Warning, etc.)	Details of Violation	#Fine Amount	Observations/ Remarks of the Practicing Company Secretary	@Management Response	Remarks
14	21	21(3A) of SEBI LODR	During the review period, the Risk Management Committee has met only one time i.e. on 29th March, 2022 against the requirement of meeting two times in a year.	BSE & NSE	Fine	The Risk Management Committee shall meet at least twice in a year.		During the review period, the Risk Management Committee has not met at least twice in a year as required under Regulation 21 (3A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.		NA
15	25	25(3)&(4) of SEBI LODR	During the review period, no separate Meeting of Independent Directors was held and there was no review of performance of the Non-Independent	BSE & NSE	Fine	The Independent Directors of the listed entity shall hold at least one meeting in a financial year, without the presence of non-independent directors and members of the management and all the independent directors shall strive		During the review period, there was no separate Meeting of Independent Directors held during the year and there was no review of performance of the Non-Independent Directors,		NA



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Sr. No	Compliance Requirement (Regulations/ Circulars/ Guidelines including specific clauses)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action (Advisory/ Clarification/ Fine/ Show Cause Notice/ Warning, etc.)	Details of Violation	#Fine Amount	Observations/ Remarks of the Practicing Company Secretary	@Management Response	Remarks
			Directors, Chairperson and the Board of Directors as a Whole.			to be present at such meeting. The Independent Directors in such meeting shall inter-alia review the performance of the non-Independent Directors, Chairperson and the Board of Directors as whole and assess the quality and quantity and timeliness of flow of information between management and the Board.		Chairperson and the Board of Directors as Whole as required under Regulation 25 (3) & (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,		



#Fine Amount:

For non-compliances pertaining to the FY 2021-22, BSE & NSE imposed a cumulative penalty of Rs.1,08,72,520/- (all inclusive) for non-compliances observed under Regulations 17, 18, 19, 20 & 21 of SEBI LODR. However, MIDHANI has not paid any fine to BSE & NSE as the response for the fine waiver request is awaited from BSE & NSE.

@Management Response:

As on March 31, 2023, MIDHANI has complied with all SEBI Listing Regulations except Regulation 17(1)(b) i.e., atleast half of the Board does not comprise with Independent Directors.

As on March 31, 2023, there exist vacancies of two (2) Independent Directors on the Board of MIDHANI. Since, MIDHANI is a DPSU, the appointments of Directors on the Board are taken care by Ministry of Defence (MoD) Department of Defence Production, it has no role in recommendation/appointment of Director on the Board. MIDHANI will continue to be non-compliant with Regulation 17(1)(b) till such time vacancy of two (2) Independent Directors are filled in by Administrative Ministry i.e., Ministry of Defence.

MIDHANI has also submitted the fine waiver request to BSE & NSE in line with SEBI's 'Policy for exemption of fines levied as per the provisions of SEBI SOP Circular and also submitted a waiver request to BSE and NSE as per NSE's Circular NSE/CML/51846 dated March 31, 2022. The response of stock exchange(s) on waiver request is still awaited.

Assumptions & Limitations of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.



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3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

Place: Hyderabad
Date: 27th May 2023

RS

**For Puttaparathi Jagannatham & Co.
Company Secretaries**

PUTTAPA
RTHI
NAVAJYO
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Digitally signed
by
PUTTAPARTHI
NAVAJYOTH
Date: 2023.05.27
11:29:24 +05'30'

CS Navajyoth Puttaparathi
Partner
FCS No: 9896; C P No: 16041
Peer Review Certificate No. 1158/2021
UDIN: F009896E000395633