



MDN/CS/AGM-50/2024-25

September 6, 2024

BSE Limited,
P.J. Towers,
Dalal Street
Mumbai- 400001
Scrip Code: 541195

National Stock Exchange of India Limited,
Exchange Plaza, G Block,
Bandra Kurla Complex, Bandra (East)
Mumbai – 400051
Trading Symbol: MIDHANI

Sub: Notice of 50th Annual General Meeting of Members of Company and Annual Report for FY 2023-24.

Dear Sir/Madam,

I. Fiftieth (50th) Annual General Meeting:

This is to inform that, Fiftieth (50th) Annual General Meeting of MIDHANI will be held on Monday, September 30, 2024 at 11:00 AM (IST) through video conferencing/other audio-visual means.

II. Annual Report for FY 2023-24:

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), we are submitting herewith, the Annual Report for FY 2023-24 which also includes Notice of Fiftieth (50th) Annual General Meeting (AGM) of Members of the Company.

The Annual Report for FY 2023-24 is being sent through electronic mode to those Members who have registered their e-mail addresses with Company/ depositories. The aforementioned Annual Report of the Company is also available at Company's website at <https://midhani-india.in/annual-reports/>

Kindly take the above intimation on record.

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

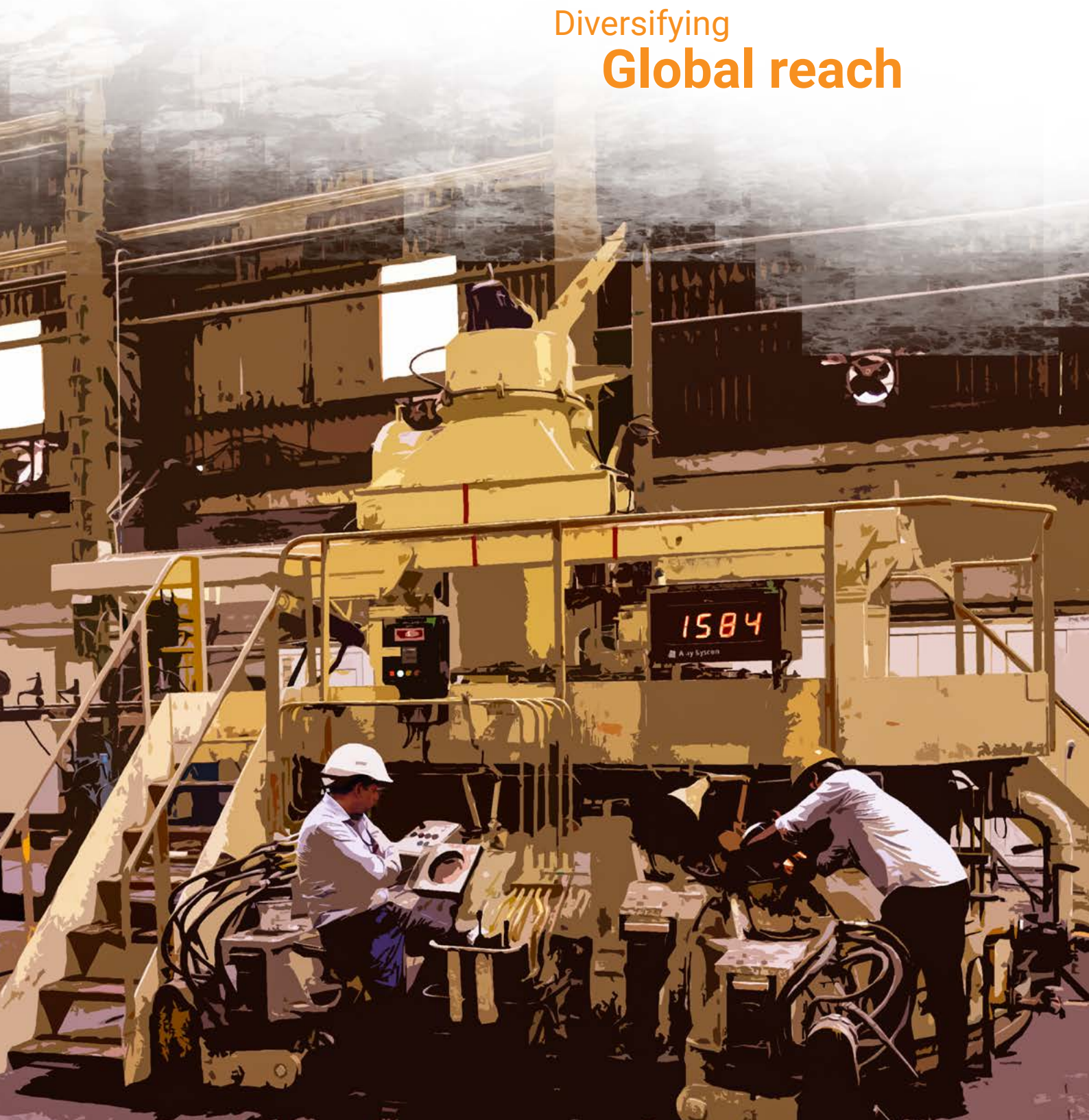
वेबसाइट Website: www.midhani-india.in



Annual Report
2023-24

Fostering **Self-reliance**

Diversifying
Global reach



What's inside



Notice of AGM

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लोक सभा/राज्य सभा के पटल पर रखे जाने वाले प्रपत्र

Papers to be laid on the table of Lok Sabha / Rajya Sabha

आधिप्रमाणित
Authenticated



For additional
information log on to
<https://midhani-india.in>

रक्षा राज्य मंत्री
Raksha Rajya Mantri



Unveiling of Bust Statue of Dr. R. V. Tamhankar.

MIDHANI unveiled a bust statue of Dr. R. V. Tamhankar – founder Chairman of MIDHANI, to commemorate Golden Jubilee celebrations. The statue was a remembrance of the vision of Dr. R. V. Tamhankar to see MIDHANI as a ‘Super Alloy’ jewel. The FY 23-24 becomes special as MIDHANI breached the ₹ 1,000 Cr. turnover mark and booked highest ever orders for Super Alloys and Titanium Alloys.

The statue was a true homage to Dr. R. V. Tamhankar as it was made of Titanium Alloy one of a kind in India, using In-house facilities of Investment Casting and VAR Skull Melting Furnace which represented MIDHANI’s capability of producing complicated and critical shapes using precision manufacturing process & skills to create complex geometry and crucial alloys products.



Stamp released to commemorate 50 years of MIDHANI

At Mishra Dhatu Nigam Limited (MIDHANI), we focus on fostering self-reliance by building on our five-decade-long expertise in advanced metallurgical products and processes. This commitment of ongoing improvement has enabled us to register year-on-year growth of 23% in turnover—our highest year-on-year growth so far and highest ever turnover. What makes this performance even more remarkable is that it was achieved despite prevalent supply chain disruptions globally that adversely affected our raw material supply. This, coupled with a shift in our revenue portfolio towards super alloys and titanium alloys. These super alloys, which heavily rely on international supply chains, demonstrate our ability to manage complex global logistics while maintaining manufacturing excellence.

Our concerted efforts to optimise inventory management have also paid off. With significant inroads into the supply chains of aerospace and defence companies worldwide, our direct exports have increased when compared with previous year. Our offerings are now gaining traction in the European, Middle Eastern and U.S. markets, which bodes well for our future export prospects. Moreover, our

forays into the Aerospace and oil and gas industries mark a step forward towards further diversifying our global reach.

Looking ahead, with unique facilities and the capability to develop customised alloys and advanced products, we are optimistic about a future of even greater accomplishments and contributions to the nation and the world.



**MISHRA DHATU NIGAM LIMITED****Corporate Identity Number (CIN):** L14292TG1973GOI001660**Registered Office:** PO – Kanchanbagh Hyderabad - 500058, Telangana,**Tel. No:** 040-2418 4515 **Fax No:** 040-2956 8502**Email Address:** company.secretary@midhani-india.in **Website:** www.midhani-india.in

NOTICE OF THE FIFTIETH (50th) ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fiftieth (50th) Annual General Meeting of the Members of **MISHRA DHATU NIGAM LIMITED** (MIDHANI) will be held on **Monday the 30th day of September 2024 at 11:00 A.M. (IST) through Video Conferencing (VC)/Other Audio Visual Means (OAVM)** to transact the following businesses:

ORDINARY BUSINESS

ITEM NO.1

To receive, consider and adopt:

- a) the audited standalone financial statements of the Company for the financial year ended March 31, 2024, the reports of the Board of Directors and Auditors thereon; and
- b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2024 and report of the Auditors thereon.

ITEM NO.2

To appoint a Director in place of Shri Thulasiraman Muthukumar (DIN: 09636771), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

ITEM NO.3

Re-employment of Dr. Sanjay Kumar Jha (DIN:07533036) as Chairman & Managing Director of Company.

To consider and, if thought fit, to pass, the following resolutions as an **ORDINARY RESOLUTIONS:**

“RESOLVED THAT Dr. Sanjay Kumar Jha (DIN: 07533036) re-employed as Chairman & Managing Director on a contract basis of Mishra Dhatu Nigam Limited (MIDHANI) for a period of ten (10) months w.e.f. March 1, 2024 pursuant letter No. 5/1(2)/2018/D(NS) dated February 26, 2024 issued by Ministry of Defence, Department of Defence Production; be and is hereby re-employed as Chairman & Managing Director of MIDHANI (liable to retire by rotation), on a contract basis for a period of ten (10) months with effect from March 1, 2024 upto December 31, 2024, or till the regular incumbent joins the post, or until further orders issued by Ministry of Defence, whichever is the earliest, pursuant to the provisions of Regulation 17 (1C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and applicable provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and/or Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable, or expedient to give effect to this resolution.”

ITEM NO.4**Appointment of Shri Shalabh Tyagi (DIN: 10042888) as Government Nominee Director.**

To consider and, if thought fit, to pass, the following resolutions as an **ORDINARY RESOLUTIONS**:

“RESOLVED THAT Shri Shalabh Tyagi (DIN: 10042888) appointed as Government Nominee Director of Mishra Dhatu Nigam Limited (MIDHANI) pursuant to the Office Memorandum 8(32)/2019-D(Coord/DDP) dated December 8, 2023 issued by Ministry of Defence, Department of Defence Production; be and is hereby appointed as Nominee Director on the Board MIDHANI, with effect from December 8, 2023, not liable to retire by rotation, till further orders issued by Ministry of Defence, pursuant to the provisions of Regulation 17 (1C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and applicable provisions of the Companies Act, 2013.

Hyderabad
August 9, 2024

RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and/or Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable, or expedient to give effect to this resolution.”

ITEM NO. 5**To ratify the remuneration to be paid to BVR & Associates, Cost Accountants as Cost Auditor of the Company for FY 2024-25.**

To consider and, if thought fit, to pass, the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, fee of ₹ 99,000/- (excluding applicable statutory levies and reimbursement of out-of-pocket expenses), to be paid to BVR & Associates, Cost Accountants (Registration No. 000453), appointed by the Board of Directors as Cost Auditor to conduct the audit of cost records of the Company, as applicable, for the Financial Year ending on March 31, 2025, be and is hereby ratified.”

By the Order of the Board of Directors

Sd/-
Paul Antony
Company Secretary & Compliance officer
Membership No. A29037

NOTES:

1. Ministry of Corporate Affairs (MCA) vide its General Circular No. 09/2023 dated September 25, 2023 read with the circulars issued earlier on the subject (collectively referred to as 'MCA Circulars') and SEBI vide its Circular No. SEBI/ HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 read with the circulars issued earlier on the subject (collectively referred to as "SEBI Circulars"), have permitted for holding Annual General Meeting ("AGM") through VC/ OAVM, without physical presence of the Members at a common venue.

In compliance with the MCA Circulars and SEBI Circulars, the provisions of the Act and the SEBI Listing Regulations, the 50th AGM is being held through VC/OAVM. In view of the same, the registered office of the Company shall be deemed to be the venue of the AGM.

Notice of the 50th AGM along with the Annual Report for FY 2023-24 is being sent by electronic mode to those members whose e-mail address is registered with the Company/Depositories, unless a member has requested for a physical copy of the same. Members may note that the Notice of AGM and Annual Report for FY 2023-24 will also be available on the Company's website <http://midhani-india.in/> website of the Stock Exchanges i.e. BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) at www.bseindia.com and www.nseindia.com respectively and on the website of National Securities Depository Limited (NSDL) at <https://www.evoting.nsdl.com>. The Company will also publish advertisement in the newspapers containing details of the AGM to be conducted via VC/OAVM, and other relevant information for the shareholders.

2. Since the AGM is held through VC/OAVM, route map to the venue is not required and therefore, the same is not annexed to this Notice.
3. The Statement pursuant to Section 102 of the Companies Act, 2013 ('Act') in respect of Item Nos. 3, 4 & 5 of the Notice, is annexed hereto. Further, disclosures in relation

to Item Nos. 2, 3 & 4 of the Notice, as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ('SS-2') forms part of this Notice.

4. Members attending the meeting through VC/OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act. Members holding equity shares of the Company as on **Monday, September 23, 2024 ('Cut-off date')** can join the meeting anytime 30 minutes before the commencement of the AGM by following the procedure as outlined in **Annexure – 1** of the Notice.
5. Attendance through VC/OAVM is restricted and hence, members will be allowed on first come first serve basis. However, attendance of members holding more than 2% of the paid-up share capital of the Company, institutional investors, Directors and Key Managerial Personnel, Chairperson of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors will not be restricted on first come first serve basis.
6. **Appointment of Proxy and Attendance Slip:** Section 105 of the Act read with Rule 19 of the Companies (Management and Administration) Rules, 2014 provides for appointment of proxy to attend and vote at a general meeting on behalf of the member who is not able to physically attend the AGM. Since the 50th AGM is being held through VC/OAVM and in accordance with the MCA Circular, physical attendance of Members has been dispensed with. Accordingly, the facility of appointment of proxy would not be available to the Members for attending the 50th AGM and therefore, proxy form and attendance slip are not annexed to this Notice.
7. Corporate shareholders/institutional shareholders intending to send their authorised representative(s) to attend and vote at the 50th AGM are requested to send from their registered email address, scan copy of the relevant Board Resolution/ Authority Letter, etc. authorizing their representative(s) to vote,

to the Scrutinizer i.e. Shri Navajyoth Puttapparthi on his e-mail ID at cs@pjco.info with a copy marked to evoting@nsdl.com.

Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-voting" tab under their login.

8. **Cut-off Date:** Members may kindly note that **Monday, September 23, 2024** has been fixed as the cut-off Date to determine entitlement of members to join 50th AGM and cast votes through remote e-voting and e-voting during the 50th AGM.
9. **Mandatory updation of PAN, KYC, nomination and bank details by Members**

For Members holding shares in physical form:

SEBI vide Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 read with Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021, and Circular No. SEBI/HO/MIRSD/MIRSD-PoD1/P/CIR/2023/37 dated March 16, 2023 and Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/158 dated September 26, 2023, has mandated all listed entities to ensure that shareholders holding equity shares in physical form shall update their PAN, KYC, nomination and bank account details (if not updated or provided earlier) through the respective Registrar and Share Transfer Agent (RTA). The relevant forms for updating the records are available on Company's website <https://midhani-india.in/>, and the duly filled forms may be sent to the Company's RTA at the earliest, preferably on or before **Monday, September 23, 2024**.

For Members holding shares in demat form:

Members holding shares in demat form are requested to update PAN and other details with their Depository Participant(s).

10. SEBI vide Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated companies to issue securities in dematerialized form only, while processing service requests viz. issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement, sub-division/ splitting, consolidation of securities certificate, transmission and transposition. Members are accordingly advised to get their shares held in physical form dematerialized through their Depository Participant.
11. Unclaimed Dividend: Details of unclaimed dividend are available on the Company's website, <https://midhani-india.in/unpaid-unclaimed-dividend-list/> Members who wish to claim their unpaid/unclaimed dividend(s) may send a request to the Corporate Secretarial Department on e-mail ID: company.secretary@midhani-india.in or to the Company's RTA on e-mail ID: rta@alankit.com or by post to RTA's address at Alankit House, 4E/2, Jhandewalan Extension, New Delhi – 110055.
12. Electronic dissemination of AGM Notice and Annual Report: Electronic/digital copy of the Annual Report for FY24 and Notice of 50th AGM are being sent to all the Members whose e-mail ID is registered with the Company/ NSDL/CDSL. Members who have not registered their e-mail ID may get the same registered by following the instruction mentioned at (10) above. The Annual Report for FY24 and Notice of 50th AGM of the Company are available on the Company's website viz. <https://midhani-india.in> websites of BSE Limited and National Stock Exchange of India Limited, and on the website of NSDL at <https://www.evoting.nsdl.com>.
13. **Inspection of documents:** The statutory registers maintained under the Act, shall be made available for inspection to the members by accessing the NSDL e-voting platform at <https://www.evoting.nsdl.com> during the remote e-voting period and during the 50th AGM.

14. **Speaker Registration/ facility to non-speakers:**

Registration as speaker at the AGM

Members who wish to raise queries at the AGM may register themselves as 'Speaker' by sending request to the said effect from their registered email address to the e-mail ID: company.secretary@midhani-india. in quoting their name, DP ID and Client ID/folio number, on or before **Monday, September 23, 2024**.

It is also advisable to submit questions/ subject matter to be addressed by shareholder.

Facility for non-speakers

Members who wish to receive any information on the Annual Report for FY24 or have questions on the financial statements and/or matters to be placed at the 50th AGM, may send a communication from their registered email address to the e-mail ID: company.secretary@midhani-india.in quoting their name, DP ID and Client ID/folio number, on or before **Monday, September 23, 2024**.

The Company reserves the right to restrict the number of questions and/or number of speakers during the AGM, depending upon availability of time and for smooth conduct of the meeting. However, the Company will endeavour to respond to the questions which have remained unanswered during the meeting, over e-mail.

15. **E-voting :**

- a) In accordance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, SS-2 and Regulation 44 of SEBI Listing Regulations, the Company has extended the facility of voting through electronic means including 'Remote e-voting' (e-voting other than at the AGM) to transact the business mentioned in the notice of 50th AGM.
- b) Necessary arrangements have been made by the Company with NSDL to facilitate 'Remote e-voting'

as well as e-voting at the AGM to be held through VC/OAVM facility. Members shall have the option to vote either through remote e-voting or voting through electronic means at the AGM.

- c) The Company has appointed Shri Navajyoth Puttaparthi, Practising Company Secretary (Membership No. FCS 9896 and Certificate of Practice No. 16041) as the Scrutinizer for scrutinizing the remote e-voting process as well as voting at the AGM in a fair and transparent manner.
- d) Voting rights of members shall be reckoned on the paid-up value of equity shares registered in their name as on the '**Cut-off date**' i.e. Monday, September 23, 2024.
- e) Members whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the 'Cut-off date', shall be entitled to avail the facility of remote e-voting or e-voting at the AGM, as the case may be.
- f) The remote e-voting facility will be available during the following period:

Commencement of remote e-voting	From 9:00 a.m. (IST), September 26, 2024 (Thursday)
End of remote e-voting	Up to 5:00 p.m. (IST) September 29, 2024 (Sunday)

- g) The procedure for e-voting on the day of the AGM is identical to remote e-voting instructions as outlined in **Annexure-1** to this Notice.
- h) Any person who becomes a Member of the Company after dispatch of the Notice of 50th AGM and holds equity shares as on the 'Cut-off date' may also follow the procedure as outlined in **Annexure-1** to this Notice. Any person who is not a Member as on the 'Cut-off date' should treat this Notice for information purpose only.

- i) Members present at the 50th AGM through VC/ OAVM facility and who have not cast their vote on resolutions set out in the 50th AGM Notice through remote e-voting, and who are not otherwise barred from doing so, shall be allowed to vote through e-voting facility during the 50th AGM. However, Members who have exercised their right to vote by remote e-voting may attend the 50th AGM but shall not be entitled to cast their vote again.
- j) Members can opt for only one mode of voting i.e. either through remote e-voting or e-voting at the 50th AGM. If a Member cast votes by both modes, then voting done through remote e-voting shall prevail.
- k) In case of joint holders attending the 50th AGM through VC/OAVM facility, only such joint holder who is higher in the order of names will be entitled to vote.

17. Declaration of results of voting: After conclusion of the meeting, the Scrutinizer will submit the report on votes cast in favour or against and invalid votes, if any, to the Chairman or any other person authorized by him, who shall countersign the same, and the result of the voting will be declared within the time stipulated under the applicable laws. The voting results along with the Scrutinizer's report, will be hosted on the Company's website viz. <http://midhani-india.in/> website of NSDL, <https://www.evoting.nsdl.com/>, displayed on the Notice Board of the Company at the Registered Office and Corporate Office, and will be simultaneously forwarded to the Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

Pursuant to Article 67 of Article of Association (AoA) of the Company, the Chairman of the Board of Directors and the Government representatives on the Board of Directors shall be appointed by the President of India (acting through Ministry of Defence (MoD)).

The Department of Defence Production, Ministry of Defence, vide its letter 5/1(2)/2018/D(NS) dated February 26, 2024 re-employed Dr. Sanjay Kumar Jha (DIN: 07533036) as Chairman & Managing Director of Mishra Dhatu Nigam Limited (MIDHANI) on contract basis for a period of ten (10) months w.e.f. March 1, 2024 (beyond the date of the his superannuation) upto December 31, 2024, or till the regular incumbent joins the post, or until further orders issued by Ministry of Defence, whichever is the earliest. The Board of Directors took note of his re-employment as Chairman & Managing Director of the Company pursuant to applicable provisions of the Companies Act, 2013 and/or Articles of Association of the Company.

Dr. Sanjay Kumar Jha graduated from NIT Jamshedpur in the year 1987 and has completed his PhD in engineering sciences from Homi Bhabha National institute (HBNI), BARC.

He started his career with Department of Atomic Energy (DAE) after completing one-year training in Nuclear science and engineering from prestigious training school of Bhabha Atomic Research Center (BARC), Bombay. He has served for more than 27 years at DAE and was involved in technology development for processing of nuclear materials for India's Nuclear Power program and strategic materials used in Missile, Space and Defence project. He joined MIDHANI in the year 2016 and held charge of Director (Production and Marketing) from July 5, 2026 to April 30, 2020 and thereafter he is continuing as Chairman and Managing of MIDHANI.

Pursuant to Regulation 17 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the appointment of Managing Director is subject to the approval of shareholders.

Details of Dr. Sanjay Kumar Jha, pursuant to the provisions of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting (SS-2) issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013, as applicable forms part of Notice of the 50th AGM.

As per Section 190 of the Companies Act, 2013 the memorandum setting the terms of appointment is available for inspection at the registered office of the company by the members without the payment of any fee.

Dr. Sanjay Kumar Jha is not disqualified from being appointed as a Director under provisions of Section 164, 196 (3) of the Companies Act, 2013 and read with SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Except Dr. Sanjay Kumar Jha and his relatives, none of the other Directors, Key Managerial Personnel of the Company, or their relatives, are concerned or interested, financially or otherwise, in the said Resolution.

The Board recommends the resolution set out in item No. 3 of the accompanying Notice for the approval of the members of the Company by way of Ordinary Resolution.

Item No. 4

Pursuant to Article 67 of Article of Association (AoA) of the Company, the Chairman of the Board of Directors and the Government representatives on the Board of Directors shall be appointed by the President of India (acting through Ministry of Defence (MoD)).

Ministry of Defence, Department of Defence Production vide Office Memorandum 8(32)/2019-D(Coord/DDP) dated December 8, 2023 conveyed the appointment of Shri Shalabh Tyagi (DIN: 10042888) (Joint Secretary – Personnel & Co-ordination (JS-P&C), Department of Defence Production, MoD, as Government Nominee Director on the Board of MIDHANI w.e.f. December 8, 2023.

He will continue to hold office until further orders, conveyed by Administrative Ministry in this regard. Shri Shalabh Tyagi shall not be liable to retire by rotation pursuant to Section 152 of the Companies Act, 2013. The Government Nominee Director on the Board of Company does not draw any sitting fees, commission or remuneration from the Company.

Shri Shalabh Tyagi belongs to 1997 batch (1996 exam batch) of Indian Railway Services of Electrical Engineers (IRSEE). After completing B.Tech (Electrical) from IIT Kharagpur, he worked in various capacities in Public sector, Railways and other ministries in the areas for production, development and induction of new technologies, standardization of specifications, design, development and commissioning of rolling stock, Safety Certification and Audits of Railway Assets etc. He has got international exposure of various manufacturing and testing facilities related to Railway infrastructure in Germany, China, Denmark and Belgium.

While working with Railways, he was instrumental in successful designing and commissioning of first Air-Conditioned Metro Rake for Kolkata Metro. He also played crucial role in Hon'ble Prime Minister vision of "Mission 100% Electrification" of Indian Railways broad gauge network, where almost 400% increase in annual commissioning of new lines Electrification was achieved during his

tenure. Presently, he is working as Joint Secretary in the Department of Defence Production, Ministry of Defence. He is Government Nominated Director in the Boards of Hindustan Shipyard Limited, Armoured Vehicles Nigam Limited and India Optel Limited.

Pursuant to regulation 17 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the appointment of Director is subject to the approval of shareholders.

In view of above, approval of Members of Company by way of ordinary resolution is sought for appointment of Shri Shalabh Tyagi (DIN :10042888) as Government Nominee Director of the Company for a period commencing from December 8, 2023 till further order conveyed by Ministry of Defence.

Details of Shri Shalabh Tyagi, pursuant to the provisions of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting (SS-2) issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013, as applicable forms part of Notice of the 50th AGM.

Shri Shalabh Tyagi is not disqualified from being appointed as a Director under provisions of Section 164, of the Companies Act, 2013 and read with SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Except Shri Shalabh Tyagi and his relatives, none of the other Directors, Key Managerial Personnel of the Company, or their relatives, are concerned or interested, financially or otherwise, in the said Resolution

The Board recommends the resolution set out in item No. 4 of the accompanying Notice for the approval of the members of the Company by way of Ordinary Resolution.

Item No. 5

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a Cost Auditor to audit the cost records of the applicable products of the Company.

The Board of Directors of the Company on the recommendation of the Audit Committee approved the re-appointment of BVR & Associates, Cost Accountants (Firm Registration No. 00453), to conduct the audit of the cost records of the Company for the Financial Year 2024-25.

BVR & Associates, Cost Accountants were Cost Accountants of the Company for previous financial year i.e. FY 2023-24.

Brief profile, terms & conditions of appointment and the proposed fee of the proposed statutory auditor, are as follows:

- a) **Brief Profile:** BVR & Associates, Cost Accountants, Hyderabad was established in year 2006. BVR & Associates has diverse experience of undertaking cost audits of companies engaged in Power, Steel, Infrastructure, Engineering etc. BVR & Associates comprises of well experienced professionals.
- b) **Term of appointment:** Appointed as Cost Auditor for FY 2024-25
- c) **Proposed fees:** ₹ 99,000/- (excluding statutory levies and out of pocket expenditure)

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditor is required to be ratified by members of the company.

Accordingly, members are requested to consider and ratify the remuneration payable to Cost Auditors for the financial year 2024-25 as set out in the resolution for the aforesaid services.

The Board recommends the resolutions set out in Item No. 5 of the accompanying Notice for approval of the Members by way of an Ordinary Resolution.

None of the Directors/Key Managerial Personnel of the Company/ their relatives are in anyway, concerned or interested, financially or otherwise, in the resolution at item No. 5 of the accompanying Notice.

By the Order of the Board of Directors

Hyderabad
August 9, 2024

Sd/-
Paul Antony
Company Secretary & Compliance officer
Membership No. A29037

Details of the Directors pursuant to the provisions of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting (SS-2) issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013, as applicable.

Item No. 2

Name of the Director	Shri Thulasiraman Muthukumar
DIN	09636771
Date of Birth	June 23, 1965 (59 years)
Date of first appointment on the Board	June 23, 2022
Qualifications	Shri T. Muthukumar has completed his Bachelor of Engineering (Metallurgy) from Bharathiar University, Coimbatore, Tamil Nadu in the year 1986.
Expertise in specific functional areas	<p>He has over 36 years of experience in the Steel industry and developing new grades in stainless steel such as 409L, 441, 420, DB410, Razor blade stainless steel and Duplex stainless steel to increase the market base.</p> <p>He is also skilled in Alloy designing and development of various grades of Cr-Mn and high Nitrogen austenitic stainless steel for better drawability and surface. In his time at SAIL he successfully rolled and supplied ICSS-1218-321 (12X18H10T) stainless steel for ISRO, which was used in the Cryogenic Engine flown in GSLV MKIII for Chandrayan Mission. He established process route to supply material for Delhi Metro Railway Coaches manufactured by M/s BEML, Bangalore towards indigenization.</p>
Terms and conditions of appointment or reappointment	<p>The Department of Defence Production, Ministry of Defence, vide its letter 5/1(1)/2020/D(NS) dated 9th June, 2022 appointed Shri Thulasiraman Muthukumar (DIN: 09636771) as Director (Production & Marketing) of Mishra Dhatu Nigam Limited (MIDHANI) from the date of his assumption of charge of the post till 30.06.2025 i.e., date of his superannuation, or until further orders of Ministry of Defence, whichever is earlier. The Board of Directors took note of his appointment as Director (Production & Marketing) of the Company pursuant to applicable provisions of the Companies Act, 2013 and/or Articles of Association of the Company in basic pay scale of ₹ 1,60,000 – ₹ 2,90,000/- (IDA) pattern.</p> <p>He is liable to retire by rotation.</p>
Details of remuneration last drawn (FY 2023-24)	₹ 81,92,646.59
Directorships in other Public Limited Companies (excluding foreign companies, private companies & section 8 companies as on August 9, 2024)	Utkarsha Aluminium Dhatu Nigam Limited
Membership of Committees/ Chairmanship in other Public Limited Companies (excluding Private and Foreign Companies as on August 9, 2024)	None
No. of Board Meetings attended during the Financial Year 2023-24	8 out of 8
No. of shares held in the Company:	Nil
(a) Own	Nil
(b) For other persons on a beneficial basis	
Name of listed companies from which Director has resigned in past three years	None

Note: Shri Thukasiraman Muthukumar is not related to any other Director or Key Managerial Personnel.

Details of the Directors pursuant to the provisions of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting (SS-2) issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013, as applicable.

Item No. 3

Name of the Director	Dr. Sanjay Kumar Jha
DIN	07533036
Date of Birth	February 20, 1964 (60 Years)
Date of first appointment on the Board	July 5, 2016
Qualifications	Dr. Sanjay Kumar Jha graduated from NIT Jamshedpur in the year 1987 and has completed his PhD in engineering sciences from Homi Bhabha National institute (HBNI), BARC.
Expertise in specific functional areas	He has diverse and vast experience in general management, Atomic & metallurgy engineering. He started his career with Department of Atomic Energy (DAE) after completing one-year training in Nuclear science and engineering from prestigious training school of Bhabha Atomic Research Centre (BARC), Bombay. He has served for more than 27 years & involved in technology development for processing of nuclear materials for India's Nuclear Power program and strategic materials used in Missile, Space and Defence projects.
Terms and conditions of appointment or reappointment	The Department of Defence Production, Ministry of Defence, vide its letter 5/1(2)/2018/D(NS) dated February 26, 2024 re-employed Dr. Sanjay Kumar Jha (DIN: 07533036) as Chairman & Managing Director on contract basis of Mishra Dhatu Nigam Limited (MIDHANI) for a period of ten (10) months w.e.f. March 1, 2024 (beyond the date of the his superannuation) upto December 31, 2024, or till the regular incumbent joins the post, or until further orders issued by Ministry of Defence, whichever is the earliest. The Board of Directors took note of his re-employment as Chairman & Managing Director of the Company pursuant to applicable provisions of the Companies Act, 2013 and/or Articles of Association of the Company in basic pay scale of ₹ 1,80,000 – ₹ 3,20,000/- (IDA) pattern. He is liable to retire by rotation.
Details of remuneration last drawn (FY 2023-24)	₹ 96,06,484.60
Directorships in other Public Limited Companies (excluding foreign companies, private companies & section 8 companies as on August 9, 2024)	Utkarsha Aluminium Dhatu Nigam Limited
Membership of Committees/ Chairmanship in other Public Limited Companies (excluding Private and Foreign Companies as on August 9, 2024)	Nil
No. of Board Meetings attended during the Financial Year 2023-24	8 out of 8
No. of shares held in the Company:	
(a) Own	Nil
(b) For other persons on a beneficial basis	Nil
Name of listed companies from which Director has resigned in past three years	None

Note: Dr. Sanjay Kumar Jha is not related to any other Director or Key Managerial Personnel.

Details of the Directors pursuant to the provisions of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting (SS-2) issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013, as applicable.

Item No. 4

Name of the Director	Shri Shalabh Tyagi
DIN	10042888
Date of Birth	August 21, 1972 (52 Years)
Date of first appointment on the Board	December 8, 2023
Qualifications	Shri Shalabh Tyagi is a B.Tech (Electrical) from IIT Kharagpur and he is a 1997 batch (IRSEE) i.e. Indian Railway Services of Electrical Engineers.
Expertise in specific functional areas	<p>He has worked in various capacities in Public sector, Railways and other ministries in the areas for production, development and induction of new technologies, standardization of specifications, design, development and commissioning of rolling stock, Safety Certification and Audits of Railway Assets etc. He has got international exposure of various manufacturing and testing facilities related to Railway infrastructure in Germany, China, Denmark and Belgium.</p> <p>While working with Railways, he was instrumental in successful designing and commissioning of first Air-Conditioned Metro Rake for Kolkata Metro. He also played crucial role in Hon'ble Prime Minister vision of "Mission 100% Electrification" of Indian Railways broad gauge network, where almost 400% increase in annual commissioning of new lines Electrification was achieved during his tenure.</p>
Terms and conditions of appointment or reappointment	<p>Ministry of Defence, Department of Defence Production vide Office Memorandum 8(32)/2019-D(Coord/DDP) dated December 8, 2023 conveyed the appointment of Shri Shalabh Tyagi (DIN: 10042888) (Joint Secretary – Personnel & Co-ordination (JS-P&C), Department of Defence Production, MoD, as Government Nominee Director on the Board of MIDHANI w.e.f. December 8, 2023. He will continue to hold office until further orders, conveyed by Administrative Ministry in this regard.</p> <p>He is not liable to retire by rotation.</p>
Details of remuneration last drawn (FY 2023-24)	Not applicable, as Government Nominee Director is not entitled to any sitting fees, remuneration or commission.
Directorships in other Public Limited Companies (excluding foreign companies, private companies & section 8 companies as on August 8, 2024)	<ol style="list-style-type: none"> Hindustan Shipyard Limited; Armoured Vehicles Nigam Limited; and India Optel Limited
Membership of Committees/ Chairmanship in other Public Limited Companies (excluding Private and Foreign Companies as on August 9, 2024)	Nil
No. of Board Meetings attended during the Financial Year 2023-24	3 out of 3
No. of shares held in the Company:	
(a) Own	Nil
(b) For other persons on a beneficial basis	Nil
Name of listed companies from which Director has resigned in past three years	None

Note: Shri Shalabh Tyagi is not related to any other Director or Key Managerial Personnel.

Annexure – 1

Instructions for remote e-voting and access to 50th Annual General Meeting

Members are requested to follow the instructions given below to cast their vote through e-voting and to access the Video Conference facility at the AGM:

1. Shareholders holding shares either in physical form or in dematerialized form, as on the 'Cut-off date' i.e. Monday, September 23, 2024 may cast their vote electronically by logging to NSDL website at <https://www.evoting.nsdl.com/>
2. The remote e-voting facility will be available during the following period

Commencement of remote e-voting From 9:00 a.m. (IST), September 26, 2024 (Thursday)

End of remote e-voting Up to 5:00 p.m. (IST) September 29, 2024 (Sunday)

The e-voting module shall be disabled by NSDL for voting thereafter. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being, Monday, September 23, 2024.

3. Detailed steps on the process and manner for remote e-voting/e-voting at the AGM and to access the VC facility at the AGM, is given below:

How do I vote electronically using NSDL e-Voting system?

The procedure to vote electronically on NSDL e-Voting system consists of "Two Steps" which are outlined below:

Step 1: Access to NSDL e-Voting system**A) Login method for e-Voting for individual shareholders holding securities in demat mode:**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by listed companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholder	Login Method
	<ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
4. Shareholders/Members can also download NSDL Mobile App “**NSDL Speede**” facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on



Individual Shareholders holding securities in demat mode with CDSL

1. Existing users who have opted for CDSL’s ‘**Easi / Easiest**’, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on **login icon & New System Myeasi Tab** and then use your existing my easi username & password.
2. After successful login of Easi/Easiest the user will be also able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.
3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.
4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from a e-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & E-mail as recorded in the demat account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-voting Service Providers.

Individual Shareholders (holding securities in demat mode) login through their depository participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website

Helpdesk details for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL are as below:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at no.: 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800-21-09911

B) Login method for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to log-in to NSDL e-Voting website?

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDeAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDeAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. ‘Cast your vote electronically’

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 130367 then user ID is 130367001***

5. Password details for shareholders other than individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.

- c) How to retrieve your 'initial password'?
 - i. If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii. If your email ID is not registered, **please follow steps mentioned below which outlines the process for those shareholders whose email id is not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) "**Physical User Reset Password**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address, etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on **Agree to "Terms and Conditions"** by selecting on the check box.

8. Now, you will have to click on "**Login**" button.
9. After you click on the "**Login**" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL's e-voting system and join General Meeting on NSDL e-Voting system

How to cast your vote electronically on NSDL's e-voting system and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "**EVEN**" in which you are holding shares and whose voting cycle is in active status.
2. Select "**EVEN**" of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-voting as the voting page opens
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "**Submit**" and also "**Confirm**" when prompted.
5. Upon confirmation, the message "**Vote cast successfully**" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

GENERAL GUIDELINES FOR SHAREHOLDERS

1. Members can attend the AGM through VC/OAVM after following the steps for Login as outlined above. After successful Login, Members will be able to see the VC/OAVM link placed under '**Join meeting**' menu against the Company's name. Members are requested to click on the VC/OAVM link placed under Join meeting menu.
2. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scan copy (PDF/JPG format) of the relevant Board Resolution/ Authority letter etc. authorising their representative(s) to vote, to the Scrutinizer by e-mail to cs@pjco.info with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI

etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-voting" tab in their login.

3. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled after five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "**Forgot User Details/Password?**" or "**Physical User Reset Password?**" option available on www.evoting.nsdl.com to reset the password.
4. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available in the download section of www.evoting.nsdl.com or call on no.: 022 – 4886 7000 or send a request to **Ms. Pallavi Mahtre, Senior Manager (NSDL)** at evoting@nsdl.com

Process for those shareholders whose e-mail id is not registered with the depositories to procure user id and password and registration of e-mail id for e-voting for the resolutions set out in this notice

1. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), name, client master or copy of Consolidated Account Statement, PAN (self-attested scan copy of PAN card), Aadhar (self-attested scan copy of Aadhar Card) to rta@alankit.com If you are an individual

shareholder holding securities in demat mode, please refer to the login method explained at Step 1 (A) i.e. Login method for e-Voting for individual shareholders holding securities in demat mode. If you are a non-individual shareholder holding securities in demat mode, please refer to the login method explained at Step 1 (B) i.e. Login method for e-Voting for non-individual shareholders holding securities in demat mode.


2. In case shares are held in physical mode please provide Folio No., name of shareholder, scan copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), Aadhar (self-attested scan copy of Aadhar Card) by email to rta@alankit.com. If you are an Individual shareholder holding securities in physical mode, please refer to the login method explained at Step 1 (B) i.e. Login method for e-Voting for individual shareholders holding securities in physical mode.
3. Alternatively, shareholder may send a request to evoting@nsdl.com for procuring user id and password for e-Voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by listed companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-voting facility.

Contributing to a self-reliant India

Founded in 1973, MIDHANI has established itself as a premier manufacturer of special steels, superalloys, and titanium alloys.

We are a Central Public Sector Undertaking (CPSU) under the administrative oversight of the Department of Defence Production, Ministry of Defence, Government of India.

Recognised as a National Centre for Excellence in advanced metallurgical production, we are renowned for our integrated and versatile manufacturing capabilities. We operate a state-of-the-art facility that is well equipped to produce a comprehensive range of advanced metals and alloys. Our high-performance alloys are distinguished by their superior mechanical properties and exceptional workability, catering to the demanding needs of the Aerospace, Space, Energy, Defence and General Engineering Sectors.



Over 81% of orders booked during FY 23-24 pertained to Defence, Space and Energy Sector. This enables us to serve the nation and contribute to Viksit Bharat.



Mission

To achieve self-reliance in the research, development, manufacture and supply of critical alloys and products of National Security and Strategic Importance.



Major highlights of FY 2023-24

₹ 7,37,744 lakh

Market capitalisation
(as on March 31, 2024)

₹ 7,889 lakh

CapEx

23% ▲

Highest year-on-year growth in sales turnover

216.17% ▲

Year-on-year increase in Direct Exports

₹ 1,57,972 lakh

Order Book as on
April 1, 2024

₹ 4.87

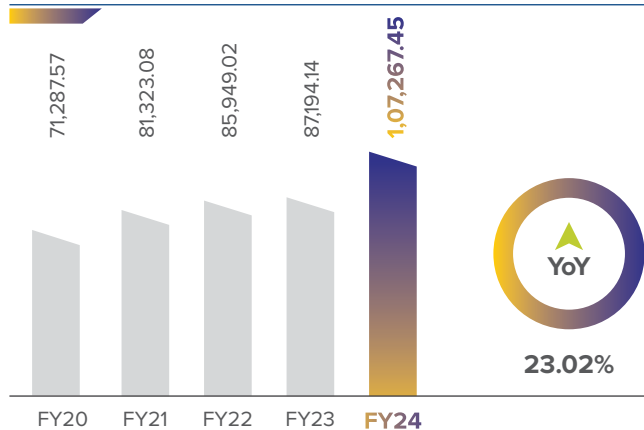
Earnings per share

A snapshot of our financials

Our focus on serving key sectors has substantially driven our sales volume. At present, we are striving to further enhance our operational efficiency for sustaining our financial stability and fortifying our core competencies.

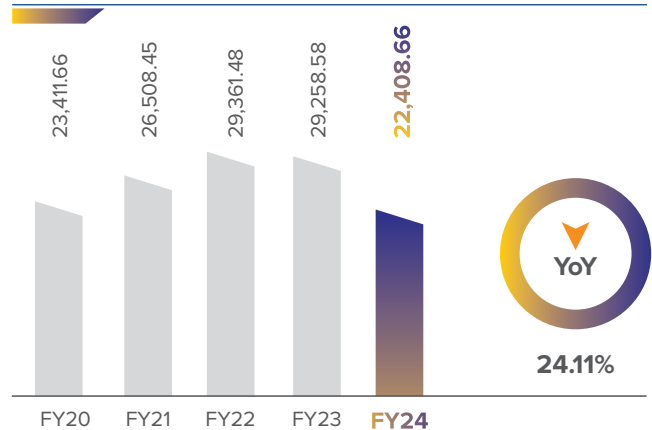
Revenue from operations

Amount
(₹ in lakh)



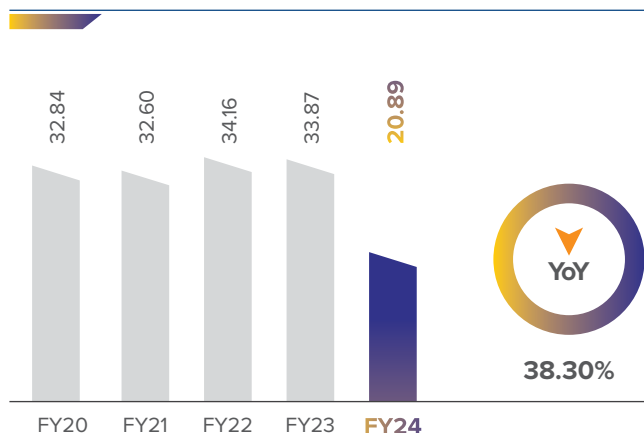
EBITDA

Amount
(₹ in lakh)



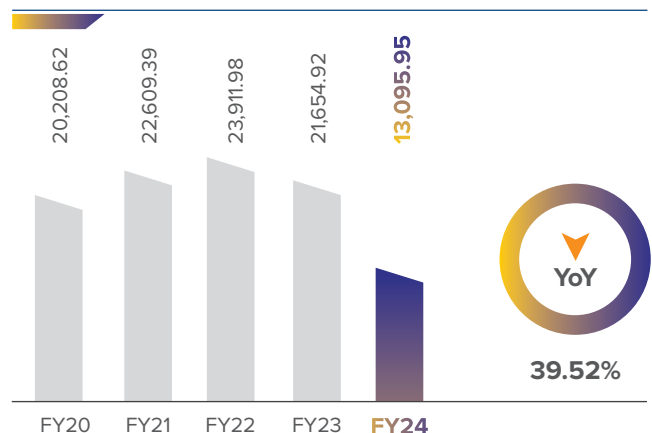
EBITDA

Margin
(in %)

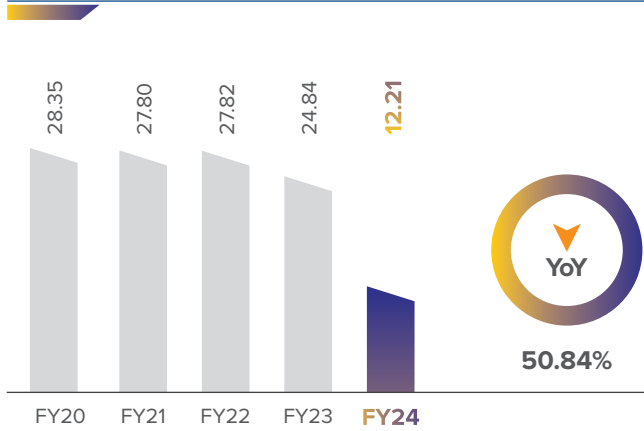


Profit before tax

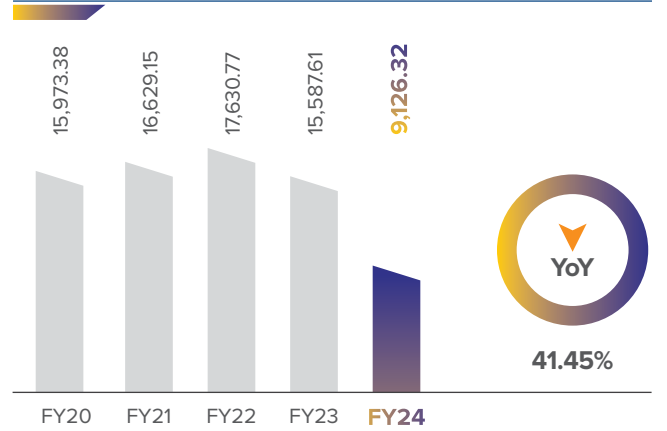
Amount
(₹ in lakh)



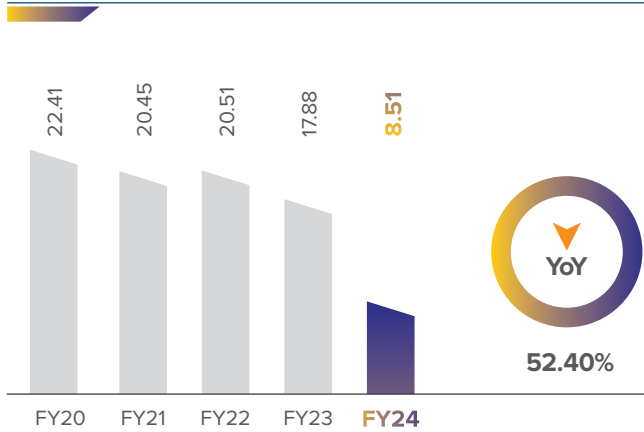
Profit before tax



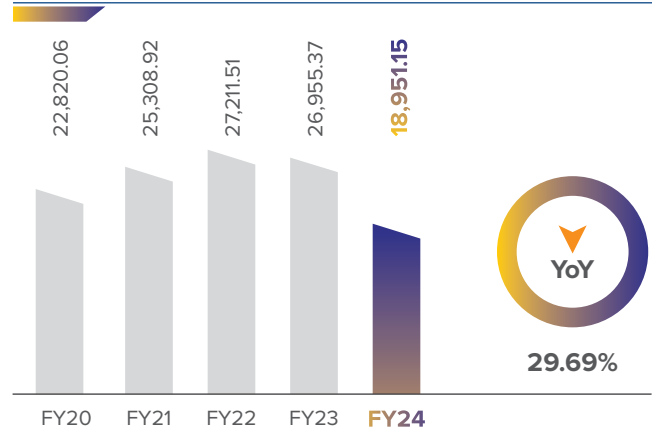
Profit after tax



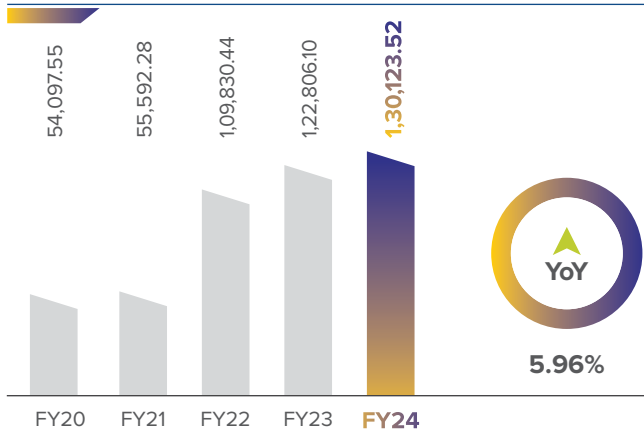
Profit after tax



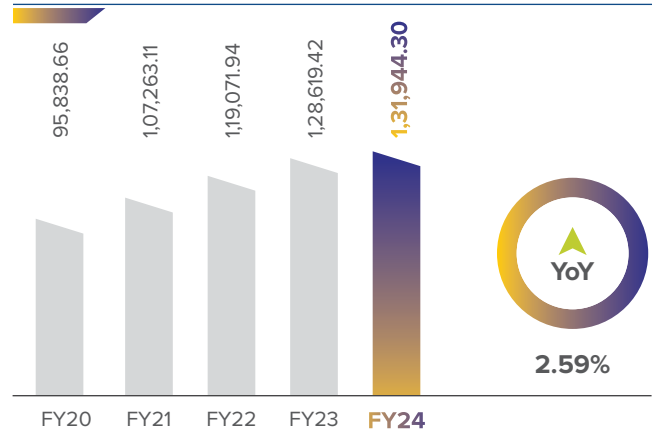
Cash profit



Gross block



Net worth



Chairman's Message

“

MIDHANI achieved a remarkable feat of ₹ 1,07,267.45 Lakh i.e. (₹ 1,072.67 Cr.) as revenue from operations which is highest ever reflecting year on year increase of 23.02% ”



Dear Shareholders,

It gives me immense pleasure to welcome you all at the 50th Annual General Meeting of Mishra Dhatu Nigam Limited (MIDHANI). The Financial Year 2023-24 (FY 23-24) has been a year of significant growth and resilience for MIDHANI. Despite encountering significant challenges—including the need to diversify our product portfolio and navigate heightened geopolitical tensions that disrupted trade, commodity markets, and global supply chains and rising raw material prices, MIDHANI achieved a remarkable feat of ₹ 1,07,267.45 Lakh i.e. (₹ 1,072.67 Cr.) as revenue from operations which is highest ever reflecting year on year increase of 23.02%.

FY 23-24 has been a year where MIDHANI faced unprecedented circumstances and delivered excellent results which can be corroborated with MIDHANI's increased production of Super Alloys, Titanium Alloys and Special Steel compared with last FY. MIDHANI during FY 23-24 increased its Super Alloys production by 155.16% vis-à-vis last FY; increased Titanium Alloy production by 44.15% vis-à-vis last FY; and Special Steel production was also increased by 35.93% vis-à-vis last FY. Production of Super Alloys, Titanium Alloys and Special Steel requires critical raw materials, supply of which was strained throughout the year, and prices were also unstable. All these uncertainties posed a challenge, and these challenges were meticulously faced by MIDHANI which carved a way for breaching ₹ 1,000 Cr. turnover mark.

During FY 23-24 MIDHANI developed various grades of high value speciality steel, Superalloys and Titanium Alloys which have its application in strategic sectors such as Defence, Space and Energy. MIDHANI's contribution and its presence in every significant event makes it unique and versatile, which is evident by the fact that, MIDHANI supplied materials for Aditya L1 mission and supplied special quality Bronze developed for Shri Ram Janambhoomi Teerth Kshetra. To reflect on MIDHANI's glorious past to carve out a glorious future, MIDHANI celebrated its Golden Jubilee and as part of Golden

Jubilee celebrations, the statue of Dr. R.V. Tamhankar - founder Chairman of MIDHANI was unveiled. The statue was made from Titanium Alloy, one of a kind in India, by using MIDHANI's in-house facilities of investment casting and VAR Skull Melting Furnace. The statue was a true tribute to Dr. R. V. Tamhankar – a visionary metallurgist and eminent scientist, whose vision was to see MIDHANI as 'Super Alloy' jewel of India.

Fostering self-reliance & diversifying global reach

FY 23-24 has been a year where MIDHANI developed several critical grades for domestic and international customers, in spite of difficulty in supply chain of critical raw materials. MIDHANI's testament for supply of critical alloys to various strategic program is noteworthy. The new grades developed during FY 23-24 generated a revenue of ₹ 18,023 Lakh which showcase MIDHANI's R&D capabilities as developing new grades involves, Research & Development, standardisation which consumes both time and extra cost for development. The constraint in raw material supply chain, inflated raw material price coupled with increased raw material consumption impacted the bottom-line performance of MIDHANI during FY 23-24. One of the important development of the year under review was that MIDHANI's spring plant facility with a capacity of more than 60,000 springs per annum was approved by RDSO in the month

“

The new grades developed during FY 23-24 generated a revenue of ₹ 18,023 Lakh which which showcase MIDHANI's R&D capabilities as developing new grades involves, Research & Development, standardisation which consumes both time & cost. ”

of June 2024, with this MIDHANI becomes one step closer to its foray in Railway Sector. MIDHANI plans to get prototype springs approved by RDSO in FY 24-25.

On exports front, MIDHANI achieved direct export of ₹ 6,658 Lakh during FY 23-24 reflecting a y-o-y increase of 216.17% which was highest ever. MIDHANI's share in overall Defence export by Indian Defence industry during FY 23-24 may seem insignificant, but for MIDHANI, exports were significant leap both strategically and for future growth perspective as MIDHANI catered the requirements of super alloys and special steel for Aerospace and Power Sector. By earmarking presence in global market and serving critical sectors, MIDHANI has opened avenues with vast possibilities. The diversified

sectors served by MIDHANI ranges from oil and gas, energy, naval, Aerospace etc. It is our goal to achieve initially 10% of our total revenue from export to as high as 30 % in near future, so that our global presence will be further strengthened and will be step toward MIDHANI becoming a global lead supplier of aerospace grade of alloys.

Financial Highlights

During FY 2023-24, MIDHANI achieved ₹ 1,07,267.45 Lakh i.e. (₹ 1,072.67 Cr.) as revenue from operations which is highest ever reflecting year on year increase of 23.02%. The Earnings Before Interest Taxes Depreciation and Amortization (EBITDA) to revenue for FY 23-24 was 20.89% translating EBITDA into ₹ 22,408.66 Lakh vis-à-vis 33.87% translating into EBITDA ₹ 29,258.58 Lakh for FY 22-23, a YoY decrease of 24.11% (EBITDA to Revenue). The Profit Before Tax (PBT) for FY 23-24 was ₹ 13,095.95 Lakh vis-à-vis 21,654.92 Lakh for FY 22-23 which translates into YoY decrease of 39.52%. The Profit After Tax (PAT) for FY 23-24 was ₹ 9,126.32 Lakh vis-à-vis ₹ 15,587.61 Lakh for FY 22-23 which translates in YoY decrease of 41.45%. MIDHANI achieved Value of Production (VoP) ₹ 1,14,764.49 Lakh during FY 23-24 vis-à-vis 1,10,026.63 Lakh achieved for FY 22-23 translating into YoY growth of 4.31%. During FY 23-24, reduction in EBITDA, PBT & PAT was mainly attributable to increased Raw Material costs, which led to adverse price variance

of ₹ 5,410 Lakh and increased raw material consumption due to increased production of Titanium and Super Alloys which lead to consumption variance of ₹ 1,386 Lakh, which cumulatively result into ₹ 6,796 Lakh adverse impact on bottom line. Despite gradual decrease in short term and capex loans, there was also increase in finance cost due to increased lending rates.

As on April 1, 2024, MIDHANI had an order book position of 1,57,972 Lakh vis-à-vis ₹ 1,33,104 Lakh as on April 1, 2023, registering a YoY growth of 18.68%.

During FY 23-24, MIDHANI declared and paid an Interim Dividend of ₹ 1.41 per equity share. The Board of Directors did not declare Final Dividend for FY 23-24 considering decrease in profitability, future capex and capacity augmentation plans.

The standalone and consolidated financial results forms part of this Annual Report, Members may kindly refer the same for detailed information.

Business Responsibility and Sustainability

MIDHANI strive to uphold the principles of good governance, integrity, and transparency in its each process. MIDHANI has adopted Business Responsibility and Sustainability Reporting which forms part of this Annual Report. During FY 23-24, there has been reduction in fuel consumption, electricity consumption and air emissions which is below

National Ambient Air Quality Standards. MIDHANI also does not withdraw, discharge water in areas of water stress. As part of MIDHANI's initiative for improving resource efficiency and reduce impact due to emissions/effluent, several measures such as energy conservation through Automatic Power Factor Controller (APFC) & Dynamic Power Factor Controller (DPFC), usage of clean energy i.e. pure Hydrogen and clean LPG were undertaken. MIDHANI also maintains a green belt and has planted around 1,000 saplings inside plant, corporate office and townships and areas in and around MIDHANI. The Business Responsibility and Sustainability Report for FY 23-24 forms part of this Annual Report, Members may kindly refer the same.

On Corporate Social Responsibility front, MIDHANI spent ₹ 455.02 Lakh during FY 23-24 which covers healthcare, sanitation, education and promotion of skill. MIDHANI also sponsors education for children belonging to SC/ST with low-income background. MIDHANI's Primary Health Care Centre provides primary health care facilities and basic test at nominal rates which benefitted approx. 13,000 people belonging to economically vulnerable and marginalised group of society during FY 23-24.

Practicing Good Governance

We are ever committed and will always continue in our endeavour to strengthen our Corporate

Governance function with clear organisational strategy, effective risk management, corporate social responsibility and transparency and information sharing with our stakeholders. Our Board and Senior Management adhere to our Code of Conduct. Our policies and procedures are continuously evaluated and upgraded to keep the organisational integrity intact and uphold values. We continue to follow, in letter and spirit, the guidelines issued by the Department of Public Enterprises (DPE). We are happy to report that, your Company scored 100% as per the revised grading norms for CPSEs, conducted by the DPE on compliance of guidelines on Corporate Governance. A Report on Corporate Governance and certificate on Corporate Governance issued by Practicing Company Secretary forms part of this Annual Report.

Way Forward

MIDHANI has expertise in meeting diversified and critical requirements of its customers. Our performance reflects our commitment to meet the needs of our customers and emerge as the catalyst for overall growth. While we are witnessing decrease in Company's bottom line performance due to change in revenue mix, inflated price of raw materials, strained geopolitical relations, supply chain challenges, we are highly optimistic due to the transformation of Indian Defence Industry in recent times as Defence Industry recorded highest ever production and exports. The various initiatives launched by our

Government continues to provide ample opportunities to cater to the needs of the strategic sectors of our country and promote self-reliance. MIDHANI's future projects related to capacity augmentation, efficiency of operations and standardisation of newly developed grades will be fruitful in near future, and we hope that same would reflect positively on our Financial Results.

I would like to thank our customers and supplier vendors for their constant support and belief in our capabilities. I would like to thank my colleagues on the Board for their valuable guidance. A dedicated and talented manpower is MIDHANI's indispensable strength, I would like to thank each and every employee of our Company for their efforts and dedication. I also like to place on record the support from our Administrative Ministry and Government agencies.

I am confident that, MIDHANI will continue to scale greater heights and deliver value to all stakeholders under the stewardship of its astute management.

Thank You
Jai Hind !

Dr. Sanjay Kumar Jha
Chairman & Managing Director

Industries we serve



□ Defence



□ Energy



□ Space



□ Aeronautical



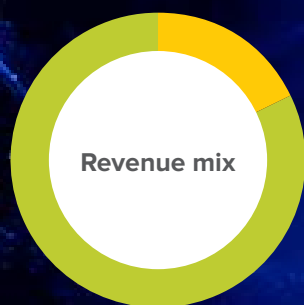
□ Commercial applications



| From deep sea to space

Diversifying our global footprint

We are dedicated to catering to the evolving demands of diverse industries and forming partnerships that transcend borders. With a widespread presence across various regions, we understand and address the distinct challenges and opportunities in different markets. Our expansive footprint enables us to deliver top-notch products across the globe, consistently raising the bar in advanced materials and cutting-edge technologies.



- Domestic business – 94%
- Export business – 6%

Rohtak, Haryana



Our Armor unit at Rohtak marks a key milestone in the Armour Sector by catering to requirements of Defence forces, State police and Armed Forces . Rohtak unit is equipped with ballistic Hydraulic Press, Fabric Cutting Machine, Waterjet Cutting Machine, Autoclave etc. Rohtak Unit also provides armouring solutions for vehicles and helicopters.

Hyderabad, Telangana



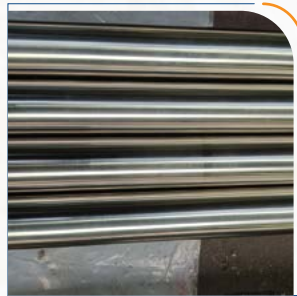
Hyderabad Plant is equipped with highly integrated and flexible manufacturing facilities to produce a wide variety of special metals and alloys in various mill forms such as forged bars/ flats, Rings; near net shapes and closed die forgings, hot rolled bars/ sheets, cold rolled sheets, strips and foils; wires, castings, tubes and fasteners.

Diversified Product Portfolio

At MIDHANI, we have consistently sought to attain self-sufficiency in the production and supply of super alloys, special steels and soft magnetic alloys. Our Company was founded in response to the national demand for defence-related technologies, which are top national priorities. The materials we produce serve as crucial import substitutes and their unavailability could significantly impact various strategic national programmes.



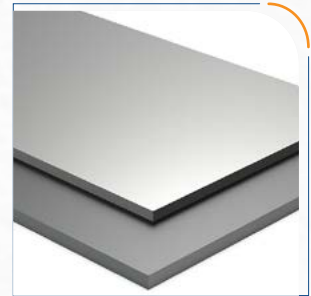
INGOTS



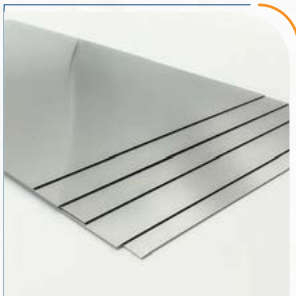
FORGED BARS



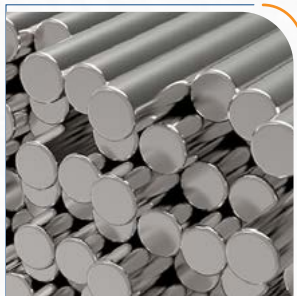
RINGS



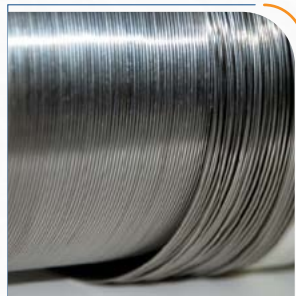
HOT ROLLED PLATES



COLD ROLLED SHEETS



HOT ROLLED BARS



COLD DRAWN WIRES



TITANIUM CASTINGS



BIO-IMPLANTS



FASTENERS

Exhibition, Awards and Events



- Dr. Sanjay Kumar Jha – Chairman & Managing Director – MIDHANI was awarded as 'Best CEO of the Year' by 'Telangana Best Employer Brand Award'



- MIDHANI was awarded with 'Official Language Cup' in the category of large organizations by Town Official Language Committee Undertaking.



- MIDHANI's Quality Circle Team was bestowed with Par Excellence Award at 37th National Convention on Quality Concepts.



- Shri N. Gowri Sankara Rao – Director (Finance) & CFO – MIDHANI with Indonesian Defence Official at India-Indonesia Defence Seminar held at Jakarta.



- MIDHANI's delegation led by Shri T. Muthukumar – Director (Production and Marketing) participated in Dubai Aero Show 2023.

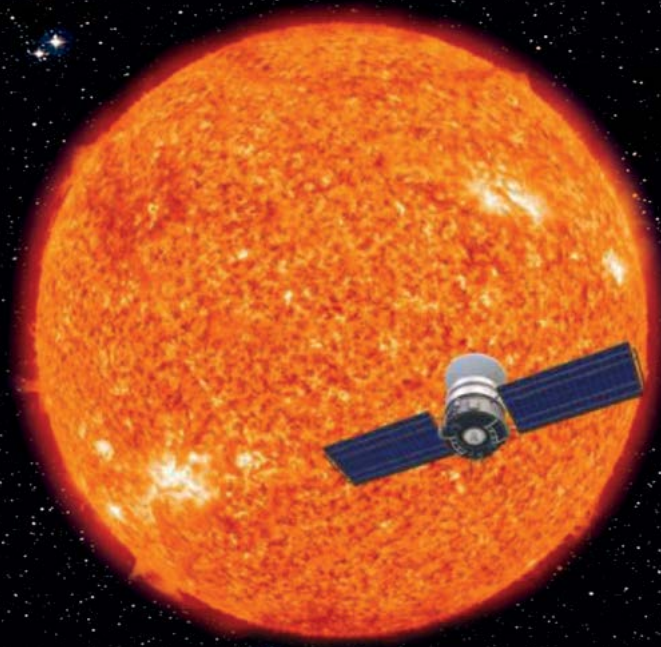


- Signing of Contract Agreement between Advanced Materials (Defence) Testing Foundation (a Joint Venture Company led by MIDHANI) and Uttar Pradesh Expressways Industrial Development Authority for setting up Mechanical and Material Testing Facility at UP Defence Corridor.

Powering the ADITYA - L1 Mission

Our commitment to advancing India's space exploration initiatives has made a great impact. We played a crucial role in the successful launch of the esteemed Aditya-L1 Mission. Our team's expertise was instrumental in the development and supply of specialised metals and alloys for the highly reliable PSLV C57 launch vehicle.

We are privileged to have been involved in India's first mission dedicated to solar observation. Our longstanding and esteemed partnership with ISRO serves as a testament to the exceptional quality and reliability of our materials, which consistently deliver outstanding performance in the most demanding space environments. This collaboration not only highlights our technical capabilities but also our resolute focus on pushing the frontiers of space exploration.



ADITYA -L1 MISSION

The first Indian space-based observatory-class solar mission
to unlock the mysteries of the Sun

PSLV

Ti-6Al-4V
tanks (Ps4)

C-103
Alloy thrust
chamber (Ps4)

PS1 motor case
- M250 Steel

Ti-6Al-4V
Gas bottles

Superco 605
thrust chamber (Ps2)

Strap on motor case
- 15CDV6 Steel

Base Ring
- 15CDV6 Steel

We take immense pride in our contribution through the supply of specialised Metals and Alloys for this remarkable endeavour.

Enhanced operational efficiency

Manufacturing magnificence

With a wide array of alloys and metals, we continually aim to enhance our manufacturing capabilities. Our advanced facilities deploy cutting-edge technologies to effectively meet the dynamic requirements of our clients. Additionally, we have strategically positioned our manufacturing units to provide superior service and improved accessibility for our customers.

State-of-the-art manufacturing systems

We have in place a tailored induction heating system and high-strength, creep-resistant dies designed for manufacturing critical aerospace components. During the reporting year, we have also commissioned a new setup that features 20T and 12T LPG-fired fixed hearth furnaces for billet reheating, with the 20T furnace already operational. Moreover, we have invested in cutting-edge automatic fastener manufacturing machines to produce premium-quality, indigenous aerospace fasteners.

Major upgrades

During FY24, we have substantially invested in our manufacturing processes. These include the installation of new equipment as well as upgrades to our ultrasonic testing capabilities with modified equipment. Simultaneously, we have utilised multiple stress rupture machines.

Notable upgrades include-



Hyderabad facility

Our manufacturing facility in Hyderabad is equipped with a state-of-the-art integrated system and advanced equipment, producing a wide variety of special metals and alloys in various mill forms. We specialise in melted, forged, rolled and drawn products, including ingots, slugs, closed die forgings, machined bars and slabs, hot-rolled sheets and bars, cold-rolled sheets and bars, wire rods and welding electrodes.



Value of Production

₹ 1,14,764.49 Lakh

Revenue

₹ 1,07,267.45 Lakh



Rohtak facility

Our Rohtak facility is spread across an area of 10 acres and is outfitted with cutting-edge technologies, including water jet cutting, plasma cutting, autoclaves, forming machines and composite moulding presses. This plant manufactures high-quality armour products and manages a range of advanced production processes.

Quality

The significance of product quality, safety and quality in the aviation, space and defence sectors cannot be overstated. To ensure that our products meet the highest standards, we follow detailed process documents and specifications, conduct advanced quality control testing and continuously track factors that can affect product performance. Compliance with regulatory requirements is maintained through internal audits and, when necessary, external reviews.



AS9100:2016

Certified

ISO/IEC 17025:2017

Certified



ISO 9001:2015

Certified



AFQMS Issue-II

Certified

Consistent quality

We enforce stringent quality control measures by meticulously monitoring process parameters across each production stage, including melting, forging, rolling and heat treatment, in accordance with approved process documentation and quality assurance plans. Besides this, we conduct comprehensive inspections of incoming metallic raw materials, which are tested at our in-house NABL-accredited chemical laboratory. Only those materials that meet established specifications are accepted into central storage, ensuring that only high-quality materials are used for subsequent processing.

Quality audit and assessment

We have established strong internal controls, regular internal audits and comprehensive management reviews to ensure both quality and compliance. Also in place is a rigorous policy for registering and evaluating suppliers, which includes a thorough assessment of technical capabilities, Quality Management Systems (QMS) and other relevant criteria by a Cross-Functional Team (CFT). We have invested in NADCAP-certified NDT equipment to meet inspection requirements. Suppliers are registered only after receiving a satisfactory evaluation. We perform on-site inspections at suppliers' facilities as needed to ensure we partner with qualified and capable suppliers, thereby securing high-quality products and services.

Research and Development

Our R&D team is instrumental in advancing technological research and developing new products. We make dedicated efforts to drive consistent innovation by enhancing our existing technologies, creating cutting-edge products tailored to market needs and promoting self-reliance through the development of indigenous solutions and processes.

Our R&D efforts are centred on advancing and innovating products, especially in the realm of special metals and alloys. The R&D department seamlessly incorporates marketing, cost management and product improvement into our overall business strategy, playing a key role in driving growth and success. Recognising the importance of R&D in our operations, we substantially invest in these endeavours to support our organisational objectives.

We have partnered with academic institutions, research organisations and industry partners to further bolster our R&D capabilities.

₹ 1,836 lakh

R&D expenditure.

₹ 36,441 lakh

Revenue from Grades developed in last 5 years.

13

New Grades were developed during FY 2023-24.

₹ 18,023 Lakh

Revenue from New Grades developed during FY 2023-24.

Recent innovations

Our R&D initiatives are aimed at achieving self-reliance in critical alloys and materials by creating advanced materials, such as nickel-based superalloys. These materials are vital for numerous high-tech industries, including aerospace and defence.

Our long-term vision is centred around ongoing modernisation, expansion and upgrading efforts to serve both current and new customers. This strategy entails-

- Enhancing product diversity
- Exploring new strategic business areas



MIDHANI; BEML Limited; and Bharat Electronics Limited signed a tripartite Memorandum of Understanding for indigenous development of Advanced Fueling and Control Systems for Engines for heavy duty applications.



MoU was signed between MIDHANI and IIT(BHU) Varanasi for clinical studies of nickel-free austenitic stainless steel developed by the Institute for medical application.

Teams that propel us

770

Employees (full time)

100%

Full time employees covered under MIDHANI's Medical Scheme and MIDHANI's Family benefit scheme

120

Trade Apprenticeships engaged for one year on the job training

83

Women employees

3,456

Person days of training provided

₹ 149.04 Lakh

Productivity per employee

100%

Full time employees were paid more than minimum wages



Women Employees at MIDHANI's Corporate Office.



Workers Education Program conducted in MIDHANI's Centre of Excellence.



Training Programme for Junior Operative Trainees

Our workforce is our most valuable asset, and we are dedicated to empowering our employees by fostering an open, safe, and motivating environment where informed decision-making thrives. We emphasize team development, uphold human rights, and cultivate a supportive culture that nurtures both personal and professional growth. Our commitment to a learning-oriented culture drives us to build an organization focused on innovation, business value, and thought leadership. Through strategic learning initiatives and comprehensive employee engagement programs, we develop a passionate, performance-driven workforce. Our strong focus on performance management and diversity ensures a collaborative workplace, further enhanced by proactive succession planning to support sustained leadership development and continuous innovation.

Inclusive environment

- ⦿ We provide an inclusive environment for differently-abled individuals by offering suitable infrastructure and permitting personal vehicles for those with orthopaedic disabilities on factory premises.
- ⦿ We adhere to DPE Guidelines regarding reservations for SC/ST/OBC and differently-abled individuals.

Safety

- ⦿ All our employees are covered under health and accident insurance, as well as offered maternity and paternity benefits and on-site daycare facilities.
- ⦿ MIDHANI conducts regular awareness programmes to educate employees on Industrial Safety and Occupational Health, ensuring a hazard-free workplace.

Training and development

- ⦿ We maintain a positive work environment by conducting diverse training programmes and motivational workshops. These initiatives aim to boost employee skills and engagement
- ⦿ We support ongoing learning and knowledge-sharing through comprehensive training programmes and internships. The increased number of man-days dedicated by the training department and the involvement of external experts underpin this commitment.



Nurturing communities and embracing natural capital

Beyond business profitability, our priorities include the empowerment of the communities in which we operate. As a socially responsible organisation, we are dedicated to making a positive impact on the society at large.

Corporate Social Responsibility (CSR) is integral to our mission and not merely a compliance concern. Hence, we have instituted a dedicated Corporate Social Responsibility and Sustainable Development Committee to undertake targeted initiatives that address the specific needs and challenges of various communities. Our programmes cover a broad spectrum of areas, including social welfare, education, healthcare and economic development.

₹ 455 lakh

CSR expenditure





₹ 225 lakh

Spent towards Health & Nutrition



MIDHANI Primary Health Care Centre

Health & Nutrition

 <p>13,000 BPL patients treated at MIDHANI Primary Health Care Centre</p>	 <p>Health awareness camps</p>
 <p>Health care infrastructure</p>	 <p>Nutritional kits to patients</p>



Advanced Cardiac Life Support Ambulance sponsored by MIDHANI to Osmania General Hospital.

Promotion of Education

₹ 72 lakh

Spent on promotion of education

31

Children's education belonging to SC/ST and OBC category was sponsored by MIDHANI

3

School buses were sponsored for Bharateeya Vidyanikethan, Sri Saraswathy Vidyapeetham and BPDVA School



BPDVA School managed by MIDHANI



School Bus sponsored by MIDHANI to Sri Saraswathy Vidyapeetham.

Promotion of skill development

₹ 93 lakh

Spent on promotion of skill development

₹ 35 lakh

For construction of two Halls for conducting free tuition and tailoring centres

400

Candidates trained under Bamboo Handicraft training project



MIDHANI's Centre of Excellence: Special Materials



Inauguration of additional classes at Sri Saraswathy Sisu Mandir, UPS Yerravaram (V), Kakinada

Environmental

MIDHANI's commitment to environmental sustainability is central to our mission of creating and maximizing value for everyone, with a strong focus on future generations. We prioritize making environmentally responsible decisions, actively working to reduce our carbon footprint. Our dedication to sustainable development is



Tree plantation campaign under "Ek Ped Maa ke Naam" held at MIDHANI.

demonstrated through proactive environmental management programs, which focus on resource management, water and waste reduction, energy conservation, and the utilization of renewable energy. Leveraging in-house expertise, we are committed to advancing sustainable initiatives, achieving our goals in economic, ecological, and social responsibility.

ZERO

Water withdrawal, consumption and discharge in areas of water stress

1,000

Approx saplings were planted in and around MIDHANI

3,50,000 Sq. Metre

The area of Water bodies maintained to accumulate rainwater and treated water

1,06,83,094 Mega Joules

Electricity consumption from Solar Plant



Green canopy at MIDHANI's plant



Tree plantation drive at MIDHANI

Governance

95.83%

Average Attendance of Directors in Board Meeting

100%

Score under DPE Guidelines on Corporate Governance



Released a compendium of CVC Circulars – 2023 (L to R) Shri T. Muthukumar, Director (Production & Marketing); Dr. S.K. Jha, C&MD, MIDHANI; Shri P. Daniel, Secretary, CVC; Shri N. Gowri Sankara Rao, Director (Finance), MIDHANI; and Dr. Upender Vennam, IPoS, CVO, MIDHAN

Board of Directors



Dr. Sanjay Kumar Jha

Chairman & Managing Director



**Shri Gowri Sankara
Rao Naramsetti**

Director (Finance) and CFO



Shri T. Muthukumar

Director (Production & Marketing)



Shri Surendra Prasad Yadav

Govt. Nominee Director

(till December 7, 2023)



Shri Valluri Chakrapani

(Non-Executive – Independent

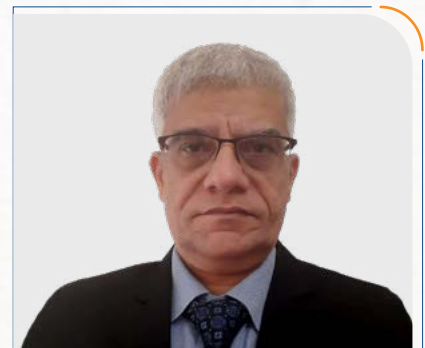
Director)



Smt V. T. Rema

(Non-Executive – Independent

Director)



Shri Shalabh Tyagi

Government Nominee Director

(w.e.f. December 8, 2023)

Chief Vigilance Officer

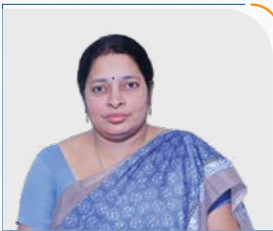
Dr. Upender Vennam
I.Po.S

Senior Management*

Shri A. Ramakrishna Rao
GM (HR)



Shri Sasidharan Palasseri
GM (Engineering Services)



Smt. Madhubala Kalluri
GM (Finance & Accounts)



Shri Arun Kumar Sharma
GM (Marketing)



Shri Anand Kumar Kaluvala
GM (P-II & IV)



Shri P. Babu
GM (Technical Services)



Shri S K Dwivedi
GM (P-III)



Shri Supartha Sen
GM (Coord. & CP)
(till November 30, 2023)



Shri Debasish Dutta
GM (Projects)
(till December 31, 2023)



Shri Paul Antony
Company Secretary &
Compliance Officer

Key Managerial Personnel

*During FY 2023-24 and as on August 1, 2024.

10 years at a glance

ITEM	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Sales (tonnage)	4,732.00	5,205.00	6,150.00	4,477.00	3,685.00	3,390.00	3,556.23	3,317.00	3,075.84	2,741.89
Sales (Value)	65,570.07	76,144.87	80,970.77	66,607.87	71,084.62	71,287.57	81,323.08	85,949.02	87,194.14	1,07,267.45
Value of Production(Excl.ED)	64,004.42	67,853.65	69,564.01	69,767.72	81,483.22	97,010.91	77,164.22	98,872.75	1,10,026.63	1,14,764.49
Cash Profit	14,830.16	17,591.00	20,401.69	21,789.22	21,424.26	22,820.06	25,308.92	27,211.51	26,955.37	18,951.15
Profit Before Tax (PBT)	13,851.49	16,184.50	18,635.28	19,825.09	19,104.78	20,208.62	22,609.39	23,911.98	21,654.92	13,095.95
Net Profit/Loss (PAT)	10,212.80	11,937.02	12,631.31	13,126.18	13,055.69	15,973.38	16,629.15	17,630.77	15,587.61	9,126.32
Value Added	42,808.81	43,363.11	50,181.18	54,412.85	52,206.95	59,350.32	60,157.17	66,868.27	70,908.96	62,417.24
Paid up Capital	18,734.00	18,734.00	18,734.00	18,734.00	18,734.00	18,734.00	18,734.00	18,734.00	18,734.00	18,734.00
Gross Block	38,670.17	27,704.22	35,911.43	39,574.81	49,938.95	54,097.55	55,592.28	1,09,830.44	1,22,806.10	1,30,123.52
Net Fixed asset	24,427.97	26,295.74	32,737.74	34,443.38	42,494.69	44,074.63	42,891.57	93,848.75	1,01,550.21	1,03,150.96
Net current asset	35,144.93	47,879.87	47,862.25	44,052.85	63,221.24	81,738.45	80,847.94	87,649.27	94,263.28	99,194.35
Capital Employed (as per MoU)	55,339.80	62,868.51	70,558.01	78,995.46	83,527.97	95,857.07	1,07,263.11	1,21,847.82	1,35,355.09	1,37,858.43
Equity	18,734.00	18,734.00	18,734.00	18,734.00	18,734.00	18,734.00	18,734.00	18,734.00	18,734.00	18,734.00
Reserves	35,271.83	43,233.03	51,700.40	60,169.45	64,736.91	77,104.66	88,529.11	1,00,337.94	1,09,885.42	1,13,210.30
Net Worth	54,005.83	61,967.03	70,434.40	78,903.45	83,470.91	95,838.66	1,07,263.11	1,19,071.94	1,28,619.42	1,31,944.30
Contribution to Exchequer	10,617.67	14,316.38	16,641.00	14,492.26	16,272.22	17,012.99	18,593.16	22,363.05	26,027.52	30,826.54
No.of employees	836	768	752	850	791	786	763	770	751	770
Productivity per employee	76.56	88.35	92.51	82.08	103.01	123.42	101.13	128.41	146.51	149.04
Value added per employee	51.21	56.46	66.73	64.02	66.00	75.51	78.84	86.84	94.42	81.06

Capital Employed Figures have been computed in line with the MoU parameters. Capital Employed = Net worth + Long Term Borrowings

BOARDS' REPORT

The Members,

Mishra Dhatu Nigam Limited

Your Directors take great pleasure in presenting the 50th Annual Board's Report, highlighting the performance and achievements of your Company, along with the Audited Financial Statements (Standalone & Consolidated) for the Financial Year (FY) ended on March 31, 2024.

1. SIGNIFICANT ACHIEVEMENTS:

- Achieved highest ever revenue of ₹1,07,267.45 Lakh for FY 2023-24 registering a Year-on-Year (Y-o-Y) growth of 23.02% vis-à-vis revenue of ₹ 87,194.14 Lakh achieved for FY 2022-23.
- Achieved highest ever Value of Production (VoP) of ₹ 1,14,764.49 Lakh for FY 2023-24 registering a Y-o-Y growth of 4.31% vis-à-vis VoP of ₹ 1,10,026.63 Lakh achieved for FY 2022-23.

2. HIGHLIGHTS OF OPERATIONS:

- MIDHANI developed a new nickel-based superalloy i.e., Superni, Indian High Temperature Alloy (IHTA), designed for its use in steam generator tubes of India's Advanced Ultra Super Critical (AUSC) thermal power plants. Superni IHTA is a Nickel-based precipitation hardening alloy characterized by high strength and creep resistance at elevated temperatures. It also offers excellent resistance to

coal ash corrosion and maintains high metallurgical stability at high temperatures.

- MIDHANI has developed Superfer 901 forged bars, a nickel-based superalloy with a matrix strengthened by additions of Molybdenum, Titanium, and Aluminum. This alloy withstands maximum service temperature of approximately 600°C (1100°F). It is mainly used in gas turbine engine components such as discs, shafts, rings, casings, and seals.

3. FINANCIAL HIGHLIGHTS:

- Your Company achieved a revenue of ₹ 1,07,267.45 Lakh for FY 2023-24 vis-à-vis revenue of ₹ 87,194.14 Lakh achieved for FY 2022-23 registering a Year-on-Year (Y-o-Y) growth of 23.02 %. Company achieved Operating Profit ₹ 10,102.43 Lakh for the FY 2023-24 vis-à-vis Operating Profit of ₹ 17,876.78 Lakh achieved for FY 2022-23.
- Profit Before Tax (PBT) for FY 2023-24 of your company was ₹ 13,095.95 Lakh vis-à-vis PBT of ₹ 21,654.92 Lakh for FY 2022-23 and Profit After Tax (PAT) of ₹ 9,126.32 Lakh for the FY 2023-24, vis-à-vis ₹ 15,587.61 Lakh achieved for FY 2022-23. The reduction in profit for FY 2023-24 was mainly attributable to the increase in raw material cost and increased raw material consumption.

3.3 Your Company achieved the following results during FY 2023-24:

(Figures in ₹ Lakh)

Particulars	FY 2023-24	FY 2022-23
Revenue from Operations	1,07,267.45	87,194.14
Other Income	2,993.52	3,778.14
Total income	1,10,260.97	90,972.28
Less: Operating Expenditure	87,852.31	61,443.70
Profit before Depreciation, Finance Costs, Exceptional items and Tax Expense	22,408.66	29,528.58
Less: Depreciation/ Amortization/ Impairment	5,855.20	5,300.45
Profit before Finance Costs, Exceptional items and Tax Expense	16,553.46	24,228.13
Less: Finance Costs	3,457.51	2,573.21
Profit before Exceptional items and Tax Expense	13,095.95	21,654.92
Add/(less): Exceptional items	-	-
Profit before Tax Expense	13,095.95	21,654.92
Less: Tax Expense (Current & Deferred)	3,969.63	6,067.31

(Figures in ₹ Lakh)

Particulars	FY 2023-24	FY 2022-23
Profit /(loss) for the year (1)	9,126.32	15,587.61
Other Comprehensive Income/(loss) (2)	(31.26)	(7.74)
Total Comprehensive Income (1+2)	9,095.06	15,579.87
Ratios (Percentages, except per capita sales)		
Profit Before Tax to Capital employed	9.50	16.00
Profit Before Tax to Revenue from operations	12.21	24.84
Profit After Tax to Net Worth	6.92	12.12
Profit After Tax to Paid-up Share Capital	48.72	83.20
Sales to Capital Employed	77.81	64.42
Sales to Gross Block	82.44	71.00
Per Capita Sales (₹ in Lakh)	139.31	116.10

4. DIVIDEND POLICY:

4.1 Your Directors did not recommend final dividend for FY 2023-24, considering CapEx and capacity augmentation projects undergoing or new projects sanctioned by Board of Directors. Further, during the year under review, the Board of Directors of the Company in their Meeting held on March 14, 2024 has declared interim Dividend of ₹ 1.41 per equity share of the face value of ₹ 10/- each i.e. @ 14.10%. The interim Dividend was paid to the eligible shareholders on March 28, 2024.

The Interim dividend declared and paid by Company i.e. ₹ 1.41 per equity share of face value of ₹ 10/- each i.e. 14.10% translates to 28.94% of Profit After Tax (PAT).

4.2 Your Company, being a Central Public Sector Enterprise (CPSE), the Guidelines on Capital Restructuring issued by Department of Investment and Public Asset Management

(DIPAM) vide F. No. 5/2/2016-Policy dated May 27, 2016 (DIPAM Guidelines) are applicable. As per the DIPAM Guidelines, every CPSE would pay a minimum annual Dividend of 30% of PAT or 5% of the Net-worth whichever is higher subject to the maximum Dividend permitted under the extant legal provisions. The Company's dividend distribution policy is enclosed as "Annexure - I" and also available on the Company's website viz. <https://midhani-india.in/policies/>.

4.3 During the year under review, your Company has sought exemption from DIPAM regarding payment of minimum dividend for FY 2023-24 in accordance with DIPAM Guidelines.

4.4 The performance of MIDHANI with respect to the Return on Investment in comparison to the previous year is as under:

(₹ in Lakh unless otherwise stated)

S.No	Parameters	FY 2023-24	FY 2022-23
1.	Dividend	2,641.49	6,275.89
2.	Profit After Tax (PAT)	9,126.32	15,587.61
3.	Net Worth*	1,28,124.38	1,25,405.13
4.	Dividend/PAT (%)	28.94	40.26
5.	PAT/Net Worth (%)	7.12	12.43
6.	Dividend/Net Worth (%)	2	5

*Net worth is after considering Dividend for respective periods.

5. TRANSFER TO GENERAL RESERVE:

Your Company has transferred ₹ 6,600 Lakh to General Reserve for the FY 2023-24.

6. JOINT VENTURE/ ASSOCIATE COMPANY

During the year under review, a Joint Venture Company i.e. Advanced Materials (Defence) Testing Foundation, (Section 8 Company) was incorporated on June 4, 2024 under Defence Testing Infrastructure Scheme promulgated by Ministry of Defence. The Joint Venture partners of Company comprises of Mishra Dhatu Nigam Limited, Hindustan Aeronautics Limited, Bharat Dynamics Limited, Yantra India Limited and PTC Industries Limited, each holding 20% of paid-up share capital of the Company. The Company will set up a Mechanical and Material Testing Facility which will be led by MIDHANI. The facility will be situated at Lucknow node of Uttar Pradesh Defence Industrial Corridor and Govt. of India will fund 75% of the project cost by way of grant-in-aid and 25% of the project cost will be funded by Joint Venture Partners.

7. PERFORMANCE AGAINST MoU:

For FY 2023-24, MIDHANI's MoU performance is expected to qualify for an overall 'Good' rating, however, the same is subject to evaluation and confirmation by Department of Public Enterprises (DPE).

8. MODERNISATION, EXPANSION & UPGRADATION PROGRAM OF THE COMPANY:

8.1 Over the past years, the Company's continued focus on upgradation and modernization has resulted in the establishment of additional facilities, increased production capacity, and enhanced product diversity. As a result, MIDHANI has effectively positioned itself to cater to the needs of both existing and new customers in domestic and global markets, while also venturing into new strategic and nationally significant business areas.

8.2 Projects related to Modernization, Expansion and Upgradation of MIDHANI's production activities during the year ended on March 31, 2024 are as under:

- **Facility for Production of Helical Springs:** For manufacturing and supply of Helical Compression Springs for Railway Wagons, Coaches, Locomotives, a Spring Manufacture Unit was set up. The project has been successfully commissioned. All furnaces are in production ready state and Research Designs & Standards Organisation

(RDSO) inspection for the final approval of the plant was completed in the month of June 2024.

- **Establishment of new Titanium Shop:** A dedicated Titanium melting facility to meet increased demand is being established. This new facility consists of 10T Capacity Vacuum Arc Re-melting Furnace, indigenously developed Plasma Welding Machine, Re-circulation water system, Cooling towers, independent power Distribution & DG Set in separate Pre-Engineered Building with provision for adding other equipment in future. The 10T VAR is under advanced stage of commissioning.
- **Isothermal Forging Facility on 6000T Forge Press:** To support the indigenization of critical aero engine components primarily made from Titanium alloys and Nickel-based superalloys, MIDHANI has established an advanced isothermal forging facility integrated with its 6000T press. Leveraging our expertise as a manufacturer of Titanium and Nickel-based superalloys, we can utilize this facility to develop and produce essential aero components. The facility is now in the final stages of commissioning and acceptance.
- **New 20T & 12T LPG Fired Fixed Hearth Furnaces for Forge shop:** In the Forge Shop, a project is underway to replace the old LPG-fired fixed hearth reheating furnaces with new, more efficient furnaces of 20T and 12T capacities for reheating smaller-sized billets. The 20T furnace has already been commissioned and is currently in production use. The installation of the 12T furnace is expected to be completed soon.
- **Fastener Plant:** To address the domestic demand for aerospace fasteners, which are largely imported, MIDHANI has embarked on an indigenization initiative. To meet the needs of its strategic clientele, MIDHANI invested in state-of-the-art automatic fastener manufacturing machines. This comprehensive setup encompasses the entire production process from head forging to finishing operations, enabling the production of high-quality, indigenous aerospace fasteners.
- **Augmentation of Bar & Wire Drawing facility:** To capitalize on current and future business opportunities, MIDHANI is significantly upgrading its Bar & Wire Drawing facility. Key machines have already been commissioned and two Straight Line Machines for drawing wires from 10 mm to 6 mm, and a Wet Wire Drawing Machine for 3 mm to 1.2 mm, are in

advanced commissioning stages. Auxiliary machines are also being installed to boost productivity.

8.3 Other new projects being proposed/explored for the coming years are as under:

- **Metal Powder Production Unit:** A unit for producing Titanium and Nickel alloy powders for automotive, aerospace, and biomedical applications is being explored as currently, these powders are imported.
- **Compacting Press for Titanium Sponge:** An 8000T hydraulic compacting press is being explored for making Titanium electrodes.
- **New Wire Rod Mill:** To improve quality, productivity, yield, and to reduce processing time, a new Wire Rod Mill is being proposed. This new mill would be designed to produce 5.5 mm diameter wires directly from 45mm sq. rods weighing approximately 60 Kg (output from the existing Bar Mill).
- **Supporting Facility for Wide Plate Mill:** To meet production requirements at the Wide Plate Mill and to process various grades, additional operational facilities are necessary to meet market demands. Plans include procuring a Shot Blasting machine, a Guillotine Shear, and Plasma Cutting Machines for precise plate cutting. Enhanced inspection capabilities with specialized tables are also planned for large plate examinations. Additionally, a facility for grinding Work Rolls and Back-Up Rolls will be installed to support continuous operations.

9. LABOUR PRODUCTIVITY:

The value added per employee for year ended on March 31, 2024 was ₹ 81.06 Lakh, vis-à-vis ₹ 94.42 Lakh in the previous financial year.

10. SALES AND OPERATIONAL EFFICIENCY:

As of March 31, 2024, MIDHANI's trade receivables, measured in 'No. of Days Sales,' improved to 110 days from 132 days on March 31, 2023. This reduction reflects enhanced efficiency in collections and better management of credit terms, contributing positively to the company's cash flow and working capital management.

11. DEVELOPMENT OF NEW PRODUCTS THROUGH R&D EFFORTS:

11.1 Research and Development (R&D) is the cornerstone of successful product development. At MIDHANI, our

R&D department extends beyond innovation, integrating marketing, cost management, and product enhancement into our broader business strategy. R&D is crucial for creating new products and improving existing ones, making it a key driver of our growth and success. We place a high priority on the value and significance of R&D in our operations.

11.2 An expenditure of ₹ 1,836.16 Lakh was incurred towards R&D during FY 2023-24. In addition to overseeing the research and development of new products, the R&D department at MIDHANI is entrusted with the crucial responsibilities of planning, team management, and deployment of technical infrastructure and manpower to support specific processes.

11.3 Some of the major R&D initiatives undertaken during the year are as below:

- **Indigenous Product Developments:**
 - **Development of 'INDIAN HIGH TEMPERATURE ALLOY' (IHTA) Forged Billets:** MIDHANI has successfully developed a new nickel-based superalloy, IHTA, for use in the steam generator tubes of thermal power plants. This advanced alloy, is a precipitation hardening alloy known for its high strength and creep resistance at elevated temperatures. It also boasts excellent resistance to coal ash corrosion and maintains exceptional metallurgical stability under high-temperature conditions. The IHTA alloy can withstand temperatures up to 760°C and extremely high pressures of 350 bars, making it ideal for steam generator tubing applications in power plants.
 - **Development of SNI 76 (Hastelloy X) forged bars:** SNI 76 is a nickel-based superalloy, strengthened by the addition of chromium, iron, and molybdenum. It can operate effectively at temperatures up to 1200°C and exhibits exceptional resistance to oxidizing, neutral, and carburizing atmospheres. Its outstanding high-temperature oxidation resistance makes it ideal for many industrial furnace applications and is widely used in the aerospace industry for manufacturing critical components such as jet engine combustion chambers, tailpipes, afterburners, turbine blades, and vanes.
 - **Development of Monel K 500 Forged & Hot Rolled bars:** Monel K500 is a nickel-copper alloy known for its high strength and excellent

resistance to various corrosive environments. MIDHANI expedited the development of Monel K500 to meet the urgent requirements of ISRO for the Gaganyaan Crew Module's Cabin Pressurization and Controlled Systems (CPCS). This alloy was chosen for its exceptional resistance to ignition, crucial for components carrying high-pressure oxygen. MIDHANI has successfully supplied forged bars for the Gaganyaan program, contributing to India's ambitious space exploration efforts.

- **Development of SNI 41 Forge slab:** SNI 41 is a nickel-based precipitation hardening alloy that offers high strength up to 871°C and oxidation resistance up to 982°C. It is generally used in jet engine combustion chambers due to its exceptional resistance to combustion gases. Additionally, SNI 41 is utilized in turbine castings, including blades and wheels, combustion chamber liners, gas turbine nozzle partitions, petrochemical reactor components, fasteners, and missile components. Its robust properties make it ideal for high-temperature and high-stress applications in various industries.
- **Development of SNI 925 forged bars:** SNI 925 is an age-hardenable Nickel-Iron-Chromium alloy with the addition of Molybdenum, Copper, Aluminum, Titanium, and Niobium. SNI 925 offers an exceptional combination of strength, impact toughness, and resistance to localized corrosion, as well as tolerance to stress corrosion cracking in sulfide-containing aqueous environments. MIDHANI has successfully developed and exported SNI 925 forged bars, meeting specific customer requirements.
- **Development of Superfer 901 Forge bars:** Superfer 901 is an age-hardenable Nickel-Iron-Chromium superalloy with substantial additions of Molybdenum, Titanium, and Aluminum. It is primarily used in gas turbine engine components such as discs, shafts, rings, casings, and seals, with a maximum service temperature of approximately 600°C (1100°F). MIDHANI has successfully fulfilled export orders by supplying forged bars of Superfer 901, demonstrating their capability to meet international standards and customer requirements.
- **Development of SNI C22 forged & Hot Rolled bars:** SNI C 22 is a Nickel-based solid solution alloy with significant additions of

Molybdenum, Chromium, and Tungsten. This alloy is widely used in gas turbine combustor components, as well as in equipment for the food processing, pharmaceutical, and pulp and paper industries due to its exceptional strength and corrosion resistance.

- **Development of Superfer 800HT forged bars:** The mechanical properties of Superfer 800HT, combined with its resistance to high-temperature corrosion, make it exceptionally useful for applications involving long-term exposure to elevated temperatures and corrosive environments. It is widely used in industrial furnace structural components such as fixtures, radiant tubes, muffles, and retorts. Additionally, it is employed in steam superheating tubes of boilers.
- **Development of MDN 218 hot rolled and forged bars:** MDN 218 is an austenitic stainless steel composed of 18% chromium, 8% nickel, 8% manganese, and 0.15% nitrogen, with the balance being iron. It offers excellent high-temperature properties up to 982°C and exhibits oxidation resistance comparable to Type 309 stainless steel, significantly surpassing that of Type 304 stainless steel. MDN 218 is renowned for its exceptional wear and galling resistance, making it ideal for applications such as automotive valves, fasteners, and marine shafts.
- **Development of Titan 24 forged bars:** Successfully established thermo-mechanical processing techniques for TITAN24 (PT7M), with a focus on enhancing impact properties and controlling hydrogen variation.
- **Artificial Intelligence (AI)**
 - In FY 2023-24, a framework by utilizing machine learning and genetic algorithms was established to optimize the processing of Ultra High Strength Steel significantly improving quality. This framework has provided valuable insights into minimizing Ultrasonic Testing (UT) defects in Ultra High Strength Steel products. MIDHANI plans to use this optimization framework for further process and product development.
 - The current AI projects at MIDHANI are as under:
 - **Microstructure Prediction:** Using AI's computer vision algorithms to predict the grain size and phase fraction of alloys.

Mechanical Properties Prediction: Employing artificial neural networks to predict mechanical properties based on alloy chemistry and microstructure.

12. INTELLECTUAL PROPERTY:

12.1 The company has developed new products to meet growing market demand, achieving significant advancements in R&D activities. This progress is reflected in the expansion of the company's intellectual property assets. MIDHANI's products are unique, and to safeguard against infringement, the company has placed a strong emphasis on encouraging the application of Intellectual Property Rights (IPRs). During the year, four (4) patent applications were filed.

12.2 Recognizing the crucial role of IPR knowledge in identifying potential patents during the development phase, our R&D team collaborated with the Training and Development department to organize comprehensive training sessions. These sessions, conducted both in-person and online, aimed to educate employees about the importance of IPR and to equip them with the necessary understanding and skills.

13. ENERGY CONSERVATION:

13.1 Throughout the reporting year, MIDHANI remained steadfast in its efforts towards energy conservation. Our commitment to developing, implementing, and advocating for sustainable energy solutions remains unwavering.

13.2 The following energy-saving measures were implemented by MIDHANI during the FY 2023-24:

Dynamic Reactive Power Compensation Panels: Implemented hybrid solutions using both Active Harmonic Filters (AHF) and Automatic Power Factor Correction (APFC) panels, improving the plant power factor from 0.92 to 0.96 and saving approximately ₹ 180 Lakh per annum.

Solar Power Generation: A 4MW ground-mounted solar power plant and a 60KWp rooftop solar power plant generated 3,127,548 kWh of energy, reducing carbon footprints by 2,502 tons per annum and generated solar energy worth ₹ 195 Lakh (Approx.).

LED Lighting: Converted 100% of lights to LED.

Energy-Efficiency: Replaced 100 conventional fans with Brushless Direct Current (BLDC) fans, with procurement of an additional 200 fans expected by August 2024 and

initiated procurement of five-star ACs to replace older three-star units.

13.3 During the year under report there was an increase in specific consumption of LPG and electricity due to the ongoing project works.

The summary of consumption of Electricity and LPG for the FY 2023-24 vis-à-vis FY 2022-23 are as below:

- The summary of consumption of LPG:

Description	Unit	FY 2023-24	FY 2022-23
Annual consumption of LPG	MT	5,411.10	5,634.24
Specific consumption of LPG in Production	MT (LPG)/ MT (Prod.)	0.19	0.14

- The summary of consumption of Electricity:

Description	Unit	FY 2023-24	FY 2022-23
Annual consumption of Electricity	KWHR (in Crore)	5.87	6.52
Specific consumption of Electricity in Production	Kwh/T	2,031.28	1,565.32

14. MARKETING & BUSINESS DEVELOPMENT:

14.1 During FY 2023-24, MIDHANI secured orders worth ₹1,36,349 Lakh. As of April 1, 2024, the open order book position stood at ₹1,57,972 Lakh. With the current order book and anticipated future orders, the company is poised for steady growth in the coming years.

14.2 The sector wise order booked during FY 2023-24 are as under: (₹ Lakh)

Sector	Total value of orders
Defence	96,149
Space	8,436
Energy	6,222
Others	25,542
Total	1,36,349

- 14.3 **Sector-wise Performance:** The total orders executed during the year under review were ₹ 1,07,267.45 Lakh and the sector wise sales executed is as below:

(₹ Lakh)

Sector	Total value of supplies
Defence	52,563.62
Space	18,623.40
Energy	13,491.84
Others	22,588.59
Total	1,07,267.45

14.4 Business Development:

- Over the past decade, majority of MIDHANI's business has been derived from the space sector, with special steels being a primary product. Recently, geopolitical conditions have caused a shortage of special metals and alloys globally, enabling MIDHANI to attract international buyers. As a result, direct exports increased from ₹2,101 Lakh in FY 2022-23 to ₹6,372 Lakh in FY 2023-24. Strategic investments in Vacuum Induction Melting and Vacuum Arc Remelting are expected to further diversify exports and expand Super Alloy and Titanium Alloy offerings.
- Efforts to increase business in Super Alloys and Titanium Alloys have been successful, with highest ever year on year growth of revenue. This growth was primarily driven by supplies to the Defence, Aerospace, and Energy sectors, along with exports. Enhanced capacity in Vacuum Induction Melting has been key to achieving higher sales of super alloys.
- Growing domestic and international demand for Superalloys and Titanium Alloys in the aerospace sector will be met by the expanded melting capacity of Vacuum Induction Melting and Vacuum Arc Remelting Furnaces.
- MIDHANI is at the forefront of indigenizing raw materials for aircraft and helicopter spares, sub-assemblies, and Line Replaceable Units (LRU).
- MIDHANI is closely collaborating with Original Equipment Manufacturers (OEMs) to establish itself as a long-term supplier of Super Alloy products. This will necessitate further investments to increase capacity of melting, forging, and allied facilities' over the next five years.
- The demand for superalloy cast sticks and isothermally forged discs will be addressed in the coming years to

serve both foreign OEMs and domestic customers. Further, MIDHANI anticipates a significant increase in export volumes due to recognition from OEMs and efforts to obtain certifications like NADCAP during FY 2024-25.

- FY 2024-25 will see the commercial establishment of new facilities for aerospace fasteners, Titanium castings, railway springs, and axles. Our primary goal is to obtain final certifications for these products and meet strategic requirements.

14.5 Information Technology (IT):

- In FY 2023-24, significant progress was made in the development of ERP systems, including the creation of a planning and scheduling application for production up to the HRM shop. This included dashboards for monitoring order-wise sales, Work-In-Progress, Grade-wise Yield, Raw Material consumption, and production, providing valuable insights for operational efficiency. Additionally, digital solutions were implemented for employee pension management, vigilance disciplinary tracking, FAC in/outpatient systems, and purchase enhancements, ensuring smoother work-flows.
- The Armour Unit underwent full digital transformation, incorporating ERP-based business transactions, attendance systems, and visitor pass management. IT infrastructure was also upgraded with outdoor LED displays, the installation of 65 production CCTV cameras, and interactive displays at the conference hall to improve security and communication across the organization.
- Website enhancements were also completed to include new features like Online Vigilance Complaints, Bill Tracking, Customer Order Tracking, and Ex-Employee Pension access, integrated with real-time ERP data. Your company also successfully completed Cyber VAPT, NIC, and IB Industrial Inspection Audits with zero non-compliance issues

15. EXHIBITIONS/SEMINARS FOR PROMOTION OF COMPANY PRODUCTS/BRAND:

- 15.1 Shri T. Muthukumar, Director (Production and Marketing) represented MIDHANI at the Aeroshow held in Dubai from November 13 to 15, 2023 to explore significant business opportunities, partnership and collaborations.

15.2 MIDHANI participated in Humanitarian Assistance and Disaster Relief (HADR) exercise Chakrawat-2023 organised by MoD at INS Hansa, Goa Indian Navy from 9th to 11th October 2023.

15.3 MIDHANI participated in Aeromart 2024 held at the Hyderabad International Convention Centre (HICC) Novotel from 1st to 3rd July, 2024.

16. QUALITY MANAGEMENT ACTIVITIES:

16.1 During FY 2023-24, MIDHANI successfully completed testing and inspection activities of 800 tensile samples, 120 low cycle fatigue samples and 300 creep test samples.

16.2 MIDHANI successfully installed and commissioned NADACAP NDT equipment, enabled the NDT division to meet NADACAP NDT requirements in FPT and MPT inspection. Successfully commissioned a Rotating Bend Fatigue machine and also enabled high cycle fatigue testing up to 900°C.

16.3 MIDHANI has supplied and obtained clearance for 4000 indigenously produced and tested SF800H extruded tubes/hollows. Apart from that, MIDHANI also conducted ultrasonic testing using a modified 30-year-old 4-channel machine.

16.4 MIDHANI has successfully prepared and tested over 42,000 samples along with analysing more than 15,295 micro samples and 4,000+ Ferritoscope samples by metallography.

16.5 MIDHANI has operated 40 creep/stress rupture machines simultaneously for the first time and performed stress rupture testing of BZL 12Y grade samples at 975°C.

17. SUPPLY CHAIN MANAGEMENT PERFORMANCE:

17.1 **Vendor Meet:** MIDHANI organized a Vendor Meet on September 3, 2023, to facilitate direct interaction among its vendors. This event provided a platform to showcase MIDHANI's recent developments and product profiles, while also addressing any issues faced by our vendors. Additionally, on March 30, 2024, MIDHANI held a webinar on the Srijan Portal with MSME vendors. During the webinar, participants were introduced to the portal's key features, objectives, and various categories of items uploaded by DPSUs for indigenization, with a special emphasis on items uploaded by MIDHANI.

17.2 Encouragement to Micro and Small-Scale Industries:

- MIDHANI is dedicated to promoting and supporting Micro and Small Enterprises (MSEs) by sourcing a diverse range of goods and services from them. In the fiscal year 2023-24, an impressive 51% of the

total domestic procurement value came from MSE units. This commitment underscores our support for small businesses and our role in fostering their growth and development.

- MIDHANI also organized an MSME Conclave on "Indigenization" in association with MSME DFO in Nagpur from January 27 to January 29, 2024 where Shri Nitin Gadkari Ji, Hon'ble Minister of Road Transport and Highways of India, and Shri Devendra Fadnavis, Deputy Chief Minister of Maharashtra graced the occasion.
- Additionally, MIDHANI actively participated and coordinated the arrangements for the MSME Defence Conclave, titled "Opportunities for MSMEs in Defence Manufacturing & Technology Supply Chain," organized by the Department of Defence Production (DDP), Ministry of Defence (MoD), in association with PHDCCI and MIDHANI at Rohtak, Haryana on January 31, 2024.

17.3 **Integrity Pact (IP):** In order to uphold transparency and integrity in all our contracts, MIDHANI has implemented the practice of signing integrity pacts with the respective bidders for high-value contracts. Shri Sunil Kumar Chourasia, IOFS (Retd.) and Shri T. Bal Raj, ITS (Retd.) act as our Independent External Monitors (IEM) to ensure compliance and adherence to ethical standards. During FY 2023-24, approximately 80% of the total value of contracts and Purchase Orders (POs) were covered under the Integrity Pact, reaffirming our commitment to maintain integrity and accountability in our operations.

17.4 **Government e-Marketplace (GeM):** MIDHANI is dedicated to enhancing procurement processes through the Government e-Marketplace (GeM) platform. During FY 2023-24, MIDHANI issued purchase orders totaling ₹12,400 Lakh via GeM. This active engagement underscores MIDHANI's commitment to adopting digital technologies and supporting government initiatives, fostering a more seamless, efficient, transparent, and robust procurement ecosystem.

18. RISK MANAGEMENT:

18.1 MIDHANI has a comprehensive Risk Management Policy that has been approved by the Board. The identification and assessment of risks associated with various processes in MIDHANI have been extensively discussed in the Internal Production Review Meetings. In compliance with Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015), MIDHANI has constituted a Risk Management Committee.

18.2 As part of the Management Discussion and Analysis section of this Annual Report, a detailed list of the identified risk elements faced by the Company is enumerated. This ensures transparency and allows stakeholders to have a comprehensive understanding of the risks involved in MIDHANI's operations. By actively managing and addressing these risks, MIDHANI remains committed to safeguarding its interests, promoting sustainable growth, and ensuring the long-term success of the organization.

19. HUMAN RESOURCE DEVELOPMENT:

19.1 Developing human resources is essential for organizational success. Human Resource Development (HRD) at MIDHANI involves a range of initiatives including employee training, career progression, performance management, coaching, mentoring, and succession planning. The goal is to enhance employee skills, knowledge, and abilities to meet the organization's objectives.

19.2 MIDHANI values its human resources highly and is dedicated to cultivating a motivated and committed team. HRD has significantly bolstered the organization, resulting in a stronger workforce, improved relationships, and increased productivity. At MIDHANI, employees are seen as the most valuable asset and prides itself on its highly skilled and motivated employees.

19.3 At MIDHANI, training and development programs are offered to employees to continually enhance their knowledge and skills, with a special focus on employees from SC, ST, OBC, and differently-abled categories.

19.4 **Manpower Position:** The manpower strength of MIDHANI as on March 31, 2024 stands at 473 Non-Executives, 23 Non-Unionized Supervisors and 274 Executives compared with 478 Non-Executives, 25 Non-Unionized Supervisors and 248 Executives as on March 31, 2023.

19.5 The total manpower strength under permanent category of your Company as on March 31, 2024 is as under:

Particulars	Non-Executives	Non-Unionized Supervisors	Executives	Total
Male	431	20	236	687
Female	42	3	38	83
Total	473	23	274	770

Statement showing the representation of SC/ST/OBC/PH and their recruitment etc., is enclosed as 'Annexure - II'.

Note: Excluding Directors

Representation of SC/ST/OBC among Non-Executives:

SC	ST	OBC	Others	Total
89	44	209	131	473

19.6 **Employee Welfare Initiatives:** The various employee welfare initiative taken during FY 2023-24 are as below:

- **Encouraging Small Family Norms:** In order to encourage employees to opt for a small family, Management, as a policy, allows casual leave for employees who undergo sterilization operation varying from 6 to 14 days based on the type of sterilization operation.
- **Social obligations/welfare programs:** Monetary awards were presented on August 15, 2023 to meritorious students/children of our employees of SC, ST and OBC categories @ ₹ 1000/- per child in each category for scoring highest % of marks

and @ ₹ 500/- each to all the students of above categories who scored 75% and above marks in X class Board examination or equivalent held in March/April. ₹1,000/- per month scholarship to the children of employees pursuing graduation in Metallurgical Engineering till completion of the course.

- **Post-Retirement Medical Benefit Scheme (PRMBS):** The Post-Retirement Medical Benefit Scheme (PRMBS) is currently in place for Executives, Non-Unionized Supervisors, and Non-Executives who retired after January 1, 2007. Additionally, the Group Medical Insurance Scheme is operational for employees who retired before January 1, 2007.

- Education Scholarship for wards of Workmen / employees of MIDHANI Studying in BPDVA School:** Merit Scholarships are awarded to the children of employees who are studying in classes 1 to X and have secured the 1st or 2nd rank in their previous year's final examinations. The scholarship provides ₹6,000/- per annum for 1st rank achievers and ₹3,000/- per annum for 2nd rank achievers. Additionally, children of workmen in grades WG-0 to WG-5 who successfully advance to the next grade (classes I to X) are eligible for an Education Scholarship of ₹300/- per month.
- School Activities:** Brahm Prakash D.A.V. School, located within MIDHANI Township, is managed by the company for the children of MIDHANI employees and students from the neighboring areas. The students have consistently excelled in academics, athletics, and cultural pursuits, bringing honor and distinction to the school.
- Township:** MIDHANI has provided housing facilities to its essential services employees through a Township comprising of 87 quarters.

19.7 Women Empowerment:

- MIDHANI fosters an environment where women employees can excel and contribute to the company's goals. With 83 women in executive and non-executive roles, they play vital roles across various departments. The management supports their growth through targeted training programs and ensures their well-being in line with regulatory standards. To enhance technical skills and overall professional development of women employees, the management nominates women employees for both in-house and external training programs.
- Every year on 8th March, MIDHANI celebrates International Women's Day. The event includes team-building activities and games, which are met with great enthusiasm by all the women employees.

19.8 Industrial relations: The industrial relations continued to be peaceful and cordial during the year under report. The management continues to receive maximum support and cooperation from the employees as in the past.

19.9 Environment management: MIDHANI remains steadfast in its commitment to preserving and enhancing the ecological balance in and around its factory premises. This dedication is evident through the establishment and

maintenance of an extensive and diverse plantation. The green belt at MIDHANI, with its thousands of plants, creates a lush canopy of greenery. This initiative not only reduces air and dust pollution but also provides a thriving habitat for various bird species.

20. DIRECTORS, EMPLOYEES AND RELATED DISCLOSURES:

In accordance with Ministry of Corporate Affairs notification no. GSR 463(E) dated June 05, 2015, MIDHANI is exempt from provisions of Section 197 of the Companies Act, 2013 and rules thereof.

21. TRAINING & DEVELOPMENT:

21.1 During the FY 2023-24, Training & Development Department achieved 3,456 person days of training, an increase from 2,855 person days in the previous year. The training programs included internal and external training programs, plant visits, and skill development training for apprentices and internships.

21.2 MIDHANI is fully committed to its responsibilities under the Apprentice Act 1961. In alignment with this commitment, we have engaged approximately 120 Trade Apprentices in various trades such as Electrician, Fitter, Welder, Machinist, Turner, and COPA for one year of on-the-job training. To foster strong institution-industry relations, we offered internships to 38 engineering students from across India and permitted around 400 visitors for plant tours during FY 2023-24.

21.3 Beyond on-the-job training for apprentices, MIDHANI organized various skill development programs. These programs included knowledge transfer sessions and motivational workshops conducted by both internal and external faculty, totaling 531 person days.

22. STATUTORY & SOCIAL OBLIGATIONS:

22.1 CORPORATE SOCIAL RESPONSIBILITY:

- The Corporate Social Responsibility and Sustainable Development Policy of MIDHANI in line with the Companies Act 2013 was approved by the Board of MIDHANI. The policy is available at <https://midhani-india.in/policies/>
- For the year under review MIDHANI has incurred expenditure of ₹ 455.02 Lakh for CSR activities against the mandatory requirement of ₹ 454.68 Lakh. Thus, the cumulative CSR expenditure incurred by

- MIDHANI over the years has crossed ₹ 4,169.04 Lakh. The unspent amount of ₹ 22 Lakh pertaining to an ongoing project of FY 2022-23 has also been spent during FY 2023-24. In terms of Rule 7(3) of The Companies (Corporate Social Responsibility Policy) Rules, 2014 the excess CSR amount of ₹ 34,000/- spent during FY 2023-24 to be set-off against the requirement of Section 135(5) of the Companies Act, 2013 up to immediate succeeding three financial years.
- The Company has prepared an annual report on its CSR activities, in compliance with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The report can be accessed at <https://midhani-india.in/csr/> and forms part of Annual Report as **Annexure - III**. Details about the composition of the Corporate Social Responsibility and Sustainable Development Committee of MIDHANI can be found in the "Report on Corporate Governance," which is included in this Annual Report.
 - The CSR activities undertaken by our Company during the reporting year encompass the following areas:
 - (i) Promotion of Health Care and Sanitation;
 - (ii) Promotion of Education;
 - (iii) Skill Development and;
 - (iv) Others
 - (i) Promotion of Health Care and Sanitation:**
 - (a) Promotion of Health care:
 - i) MIDHANI has sponsored the activities of MIDHANI Primary Health Care Centre which is catering relentless medical services to the needy patients by extending Out Patient consultation, Eye Camps, cataract surgeries, Cardiac Camps in MPHCC and other places. Incurred an expenditure of ₹ 110 Lakh.
 - ii) Sponsored ₹ 20 Lakh to Samskruti Foundation for promoting Satvic Aahaar as Nutrient Dense, Therapeutic Diet for the Physical, Mental, Emotional and Spiritual well-being.
 - iii) Sponsored 6000 Nutritional Kits to TB patients in Hyderabad and incurred an expenditure of ₹ 44.38 Lakh.
 - iv) Sponsored ₹ 20 Lakh to Mamta Charitable Trust for organizing Health Awareness campaign.
 - v) Sponsored Advance Cardiac Life Support Ambulance to Osmania General Hospital. Expenditure incurred ₹ 30.98 Lakh.
 - (b) Annual maintenance of Toilets constructed by MIDHANI under Swachh Bharat.**
 - (ii) Promotion of Education:**
 - (a) Free Education for children belonging to SC/ST/OBC category whose parents fall in lower income group are being given admission in to LKG and the entire fee shall be borne by MIDHANI till they complete 10th Class. This year Company has sponsored free education to 31 children at an expenditure of ₹ 6.90 Lakh.
 - (b) Sponsored School Bus to Bharateeya Vidyanikethan to provide transport facility to help Tribal students reach the school. Expenditure incurred ₹ 20 Lakh.
 - (c) Sponsored ₹ 25 Lakh to Sri Saraswati Vidyapeetham for constructing additional classrooms in Sri Saraswati Sisu Mandir.
 - (d) Sponsored ₹ 20.75 lakh towards School Bus and other infrastructural development activities to BPDVA School.
 - (iii) Skill Development:**
 - (a) Every year MIDHANI is inducting apprentices to help students have exposure to the real time environment and gain knowledge from the experienced professionals. As part of the stipend paid to the apprentices an amount of ₹ 26.65 Lakh is accounted under CSR as per the guidelines.
 - (b) Sponsored Grameena Vikas Sangham ₹35 Lakh for construction of Two Halls for conducting free tuition and tailoring centers.
 - (c) Entered in to MoU with District Collector Kumarambheem Asifabad (Aspirational District) for Bamboo Handicraft Development Project to train 400 candidates.
 - Actual CSR expenditure incurred during FY 2023-24 was ₹ 477.02 Lakh (which includes CSR expenditure of ₹ 22 Lakh for an ongoing project pertaining to FY 2022-23) against mandatory expenditure of ₹ 454.68 Lakh. The Annual Report on CSR forms part as **Annexure -III** of this Annual Report.

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

- At our company, we are dedicated to providing a safe and inclusive workplace for all employees, with a particular focus on the safety and well-being of women. To uphold this commitment, we have established an Internal Complaints Committee (ICC) specifically tasked with addressing and resolving issues related to sexual harassment. The ICC operates under a policy designed to protect and support all parties involved, adhering to strict guidelines to ensure fairness and confidentiality.
- During the review period, we are pleased to report that the ICC did not receive any complaints regarding sexual harassment. Furthermore, as of the end of FY 2023-24, there are no outstanding complaints on this matter. This reflects our ongoing efforts to maintain a safe and respectful work environment for everyone.

22.3 CONTRIBUTION TO EXCHEQUER:

During FY 2023-24, your Company contributed an amount of ₹30,826.54 Lakh in the form of Dividend, Duties and Taxes vis-a-vis ₹ 26,027.52 Lakh during FY 2022-23.

22.4 COPY OF ANNUAL RETURN:

The Annual Return as provided under sub-section (3) of Section 92 of The Companies Act 2013 is available at website of the Company at <https://midhani-india.in/annual-return/>

22.5 REPORT ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Report on conservation of Energy, Technology Absorption and foreign exchange earnings and outgo forms part of Annual Report as **Annexure – IV**.

22.6 BUSINESS RESPONSIBILITY REPORT:

As per the requirements of Regulation 34 of SEBI Listing Regulations, the Business Responsibility and Sustainability Report (BRSR) forms part of Annual Report as **Annexure-V**. This report highlights the various initiatives undertaken by the company in terms of environmental sustainability, social responsibility, and governance practices. We encourage you to review this report for a comprehensive understanding of our commitment to responsible business practices.

22.7 IMPLEMENTATION OF RIGHT TO INFORMATION (RTI) ACT 2005:

MIDHANI, as a Public Authority under the RTI Act 2005, has appointed a Nodal officer, Appellate Authority, and CPIO to ensure compliance with the RTI Act 2005. The Company promptly provides information requested by citizens within the specified time frame. MIDHANI also fulfills its obligation of Suo Motu disclosures under Section 4(1)(b) of the RTI Act by displaying information on its official website. MIDHANI's website is regularly updated to keep its stakeholders informed about news and developments. During FY 2023-24, 175 RTI applications were received and 173 applications were disposed of, including those from the previous period and as on March 31, 2024, 7 RTI application were pending. Additionally, 11 RTI appeals were raised during FY 2023-24 and 10 RTI appeals were disposed of within the year. MIDHANI submits quarterly returns to the authorities in accordance with the regulations.

22.8 RAJBHASHA IMPLEMENTATION:

- MIDHANI has adhered to the Government directives and regulations for promoting the use of Hindi in official work. Quarterly meetings of the Official Language Implementation Committee, were chaired by the Chairman & Managing Director. Progress reports were regularly submitted to the Ministry of Defence (MoD), the Ministry of Home Affairs (MHA), and the Town Official Language Implementation Committee - Undertaking (TOLIC-U). Four quarterly meetings of the Official Language Implementation Committee were held to ensure compliance and progress in this initiative.
- To support employees in performing their daily official work in Hindi, eight Hindi Awareness Workshops were conducted for approximately 141 employees. MIDHANI employees won four prizes in competitions organized by TOLIC (U) and MIDHANI continues to promote Hindi as the Official Language by regularly conducting Hindi language and typing training classes.
- During the review year, 32 employees completed the Prabodh course, 44 employees completed Praveen, 35 employees completed Parangat, and 40 employees received training under the Hindi Teaching Scheme.
- As part of the directives from the Ministry of Home Affairs, "Hindi Fortnight" was celebrated on a large scale from September 11 to 25, 2023, to promote the use of Hindi.

22.9 RELATED PARTY TRANSACTION:

- Disclosure of related party transactions as per Ind AS-24, issued by the Institute of Chartered Accountants of India, is provided at note no. 40 of the Notes forming part of Annual Accounts for FY 2023-24.
- All contracts /arrangements /transactions entered into by the Company with related parties during the year under review, were in ordinary course of business of the Company and on 'arms' length terms. The related party transactions were placed before the Audit Committee for review and/or approval.
- During the year, the Company did not enter into any contract /arrangement /transaction with related party, which could be considered material in accordance with the Company's 'Policy on Materiality of and dealing with Related Party Transactions' and accordingly, the disclosure of related party transactions in Form AOC-2 is not applicable. The aforesaid Policy is available on the Company's website at <https://midhani-india.in/policies/>

23 VIGILANCE ACTIVITIES:

- 23.1 The Vigilance Department of the Company is led by Dr. Upender Vennam, an IPoS officer, serving as the Chief Vigilance Officer (CVO). In this capacity, Dr. Vennam advises the Chairman & Managing Director (C&MD) on all vigilance-related matters and acts as a liaison between the organization and the Central Vigilance Commission (CVC).
- 23.2 During the year, Vigilance Department suggested seventeen (17) systemic improvements and good practices in areas such as Human Resources, Scrap Management, Stores, and Procurement/Contracts. These recommendations were considered and implemented by the Management. Additionally, the online system for bill tracking by contractors, previously introduced, was reactivated for vendors at the initiative of the Vigilance Department.
- 23.3 Vigilance Awareness Week 2023 was observed from October 30 to November 5, 2023, focusing on the CVC theme "Say no to corruption; commit to the Nation". As part of preventive vigilance, a compendium booklet compiling all CVC Circulars and OMs issued since January 1, 2019, was prepared and released by the Secretary (CVC) during his visit to MIDHANI Hyderabad plant on October 18, 2023. During the three-month campaign leading up to Vigilance Awareness Week (from August 16, 2023, to November 15, 2023), a total of 293 MIDHANI executives were trained by both external and internal faculties on various topics.

24. VIGIL MECHANISM:

- 24.1 The Whistleblower Policy was first adopted by the Board of Directors at its 206th Meeting on January 23, 2013. It was later amended as the Whistleblower Policy - 2018 to align with the Public Interest Disclosure and Protection of Informers Resolution, 2004 (PIDPI). This policy provides a mechanism for individuals to report complaints and seek protection against any retaliation for whistleblowing.
- 24.2 The Whistleblower policy established by the company is to encourage employees to report any unfair or unethical activities within the organization. The Board level Audit Committee periodically reviews the functioning of the vigil mechanism and addresses any whistleblower complaints received.
- 24.3 The Whistleblower Policy - 2018 serves as MIDHANI's Vigil Mechanism and enables stakeholders to report any issues that may have an impact on the organization. The policy is readily accessible on the company's website. at <https://midhani-india.in/departments/vigilance/role-functions-of-vigilance-department/>

25 AWARDS AND RECOGNITION:

- 25.1 At the 37th National Convention on Quality Concepts (NCQC) held from 4th to 7th January 2024 by the Quality Circle Forum of India, all five participant teams of MIDHANI secured more than 80% score which helped MIDHANI to secure the highest honor of 'Par Excellence Award' 'Par Excellence Award'.
- 25.2 On October 27, 2023, MIDHANI was honored with the Rajbhasha Cup for best Official Language Implementation and Best E-House Journal for its Rajbhasha e-House Journal – Sankalp.

26. COMPANY PERFORMANCE AND FUTURE OUTLOOK:

The Annual Report includes Management Discussion and Analysis, providing a comprehensive analysis of the Company's financial performance, operations, and future outlook.

27. CORPORATE GOVERNANCE:

- 27.1 The Company adheres to the principles and philosophy of Corporate Governance, ensuring good decision-making practices in line with current standards and guidelines from the Department of Public Enterprises. A comprehensive Code of Business Conduct and Ethics is in place which is

applicable to all Board Members and Senior Management. A certificate from the Chairman and Managing Director affirming compliance with Code of Business Conduct and Ethics for Board and Senior Management forms part of Annual Report as **Annexure – VI**.

27.2 The Annual Report includes a comprehensive report on Corporate Governance, providing detailed information on the company's adherence to guidelines issued by the Department of Public Enterprises (DPE) and SEBI Listing Regulations. A certificate confirming compliance with these guidelines, signed by a practicing Company Secretary, forms part of Annual Report as **Annexure – VII**.

27.3 In line with the Revised Grading norms for CPSEs, your Company has achieved a perfect score of 100% for the FY 2023-24 in terms of compliance with the Guidelines on Corporate Governance issued by the Department of Public Enterprises (DPE).

28. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

28.1 MIDHANI has implemented a robust framework for internal controls, which is designed to align with the company's size and operations. This internal control system is further strengthened by a comprehensive program of internal audits and management reviews. The internal audit function, supported by external audit firms, conducts thorough and risk-focused audits to assess the effectiveness of the internal control structure and its functions on a regular basis. This ensures the integrity and reliability of the company's operations.

28.2 The Company has implemented robust internal financial controls in accordance with the requirements of the Companies Act, 2013. These controls are implemented at various levels within the organization to ensure compliance with internal control requirements, regulatory compliance, and accurate recording of financial and operational information. The internal financial controls are designed to safeguard assets, prevent fraud, maintain financial accuracy, and promote operational efficiency.

28.3 The Company engaged the services of external audit firm Sagar & Associates to conduct the internal audit during the year, with a focus on assessing the adequacy of systems and controls. The audit reports prepared by Sagar & Associates were thoroughly reviewed by the Audit Committee. Additionally, the in-house Internal Audit team conducted regular audits of specific processes. The findings and recommendations from these audits, along

with the corrective actions initiated, were discussed with the Management and reviewed by the Audit Committee. The Audit Committee also assessed the adequacy and effectiveness of internal controls in place.

28.4 No instances of fraud were reported to the Audit Committee by the Auditors in accordance with Section 143(12) of the Companies Act, 2013 and the rules prescribed. Therefore, no disclosure is required under Section 134(3)(ca) of the Companies Act, 2013.

29. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL:

29.1 The Board of your Company at the beginning of FY 2023-24 comprised of Six (6) Directors i.e. Three (3) Functional Directors, One (1) Government Nominee Director and Two (2) Independent Directors, all eminent personalities with vast experience from diverse fields.

29.2 As on date of this Report, the Company has Six (6) Directors i.e. Three (3) Functional Directors, One (1) Govt. Nominee Director and Two (2) Independent Directors.

29.3 During the year under review, the following appointment/re-employment of Directors were observed:

- Department of Defence Production, Ministry of Defence vide Office Memorandum No. 8(32)/2019-D-(Coord/DDP) dated December 8, 2023 appointed Shri Shalabh Tyagi, (Joint Secretary - Personnel & Coordination) (JS-P&C) (DIN:10042888) as Govt. Nominee Director in place of Shri Surendra Prasad Yadav (DIN: 02267582) w.e.f. December 8, 2023. In accordance with Regulation 17(1C) of the SEBI Listing Regulations, the approval of the members of the Company for appointment of Shri Shalabh Tyagi, (JS – P&C) through an Ordinary Resolution will be sought at 50th Annual General Meeting.
- Department of Defence Production, Ministry of Defence vide letter No. 5/1(2)/2018/D(NS) dated February 26, 2024 conveyed the approval of competent authority for re-employment of Dr. Sanjay Kumar Jha as Chairman & Managing Director of MIDHANI (DIN: 07533036) on contract basis for a period of Ten (10) months beyond the age of his superannuation i.e. w.e.f. March 1, 2024 upto December 31, 2024 or till regular incumbent joins the post or until further orders, whichever is the earliest. In accordance with Regulation 17(1C) of the SEBI Listing Regulations, the approval of the members of the Company for re-employment of Dr. Sanjay Kumar Jha as Chairman

& Managing Director through an Ordinary Resolution will be sought at 50th Annual General Meeting.

29.4 In accordance with provisions of the Companies Act, 2013, Shri T. Muthukumar, Director (Production and Marketing) (DIN:09636771) retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible has offered himself for re-appointment.

29.5 The Notice of the 50th Annual General Meeting (AGM) provides a brief resume, expertise, directorship details in other companies, and shareholding information of the Director(s) proposed for appointment/re-appointment at the AGM, in accordance with Secretarial Standard-2 and Regulation 36 of the SEBI Listing Regulations.

29.6 **Performance Evaluation:** The appointment/reappointment of Independent Directors in the Company, being a Government Company, is done by the President of India through the Administrative Ministry. The evaluation of Independent Directors' performance and their compliance with the Independence criteria specified in the SEBI Listing Regulations is conducted by the Government of India through its internal processes.

30. REMUNERATION POLICY:

30.1 MIDHANI is a Government of India owned Public Sector Enterprise under the administrative control of the Ministry of Defence. The Directors of the Company are appointed by the President of India and their remuneration is determined in accordance with the Guidelines issued by DPE. As per Article 67 of MIDHANI's Articles of Association, the President of India is Competent Authority for appointing Directors and deciding their remuneration. Given that these appointments are made by the President of India, the evaluation of the performance of these appointees is also conducted by the Government of India.

30.2 The terms and condition of payment of sitting fees to Independent Directors and Govt. Nominee Director is available on the Company's website at <https://midhani-india.in/policies/>.

30.3 Further, provisions of Section 178(2), (3) and (4) are not applicable on Company vide Ministry of Corporate Affairs notification dated June 5, 2015.

31 DECLARATION AND MEETING OF INDEPENDENT DIRECTORS:

31.1 The Independent Directors of the Company have affirmed their compliance with the independence criteria outlined in both the Companies Act, 2013 and SEBI Listing Regulations. Additionally, they have fulfilled the requirements specified

in Rule 6, Sub-rule 1 & 2 of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

31.2 The Independent Directors have provided confirmation of their adherence to the "Code of Business Conduct and Ethics for Board Members and Senior Management" of the Company.

31.3 During FY 2023-24, one (1) meeting of the Independent Directors was conducted on March 28, 2024, in accordance with the provisions of the Companies Act, 2013, and SEBI Listing Regulations.

32. DIRECTORS' RESPONSIBILITY STATEMENT:

32.1 Pursuant to Section 134(5) of the Companies Act, 2013, your Directors state that:

- a. in the preparation of the Annual Accounts for the financial year ended March 31, 2024, the applicable Indian Accounting Standards (Ind AS) have been followed along with proper explanations on the material departures;
- b. the Directors have such Accounting Policies have been selected and applied consistently and judgments and estimate have been made; that were 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 i.e. March 31, 2024; and of the Profit of the Company for the year ending on March 31, 2024;
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013, as amended from time to time, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Directors have prepared the accounts for the financial year ended on March 31, 2024 on a 'going concern' basis;
- e. the Directors have laid down proper internal financial controls in place and that such internal controls are adequate and are operating effectively; and
- f. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

33. AUDITORS:

33.1 **Statutory Auditors:** C&AG of India appointed M/s Gandhi & Gandhi, Chartered Accountants, Hyderabad, [Firm Registration No.000849S] as Statutory Auditors of the

Company for conducting audit of accounts for the year ended March 31, 2024. The Auditors Report of Statutory Auditors on the Financial Statements for the financial year ended on March 31, 2024, is an unmodified opinion i.e., it does not contain any qualification, reservation or adverse remark.

33.2 Cost Auditor: Your Company is required to maintain cost records as specified by Central Government under section 148(1) of the Companies Act, 2013. Your Company appointed BVR & Associates, Cost Accountants, Hyderabad, [Firm Registration No 000453] as Cost Auditors for the FY 2023- 24 in terms of Section 148 of Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014.

33.3 Secretarial Auditor: In terms of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 your Company appointed D. Hanumanta Raju & Co, Company Secretaries Hyderabad as Secretarial Auditors of the Company for the FY 2023-24. The Secretarial Audit Report forms part of Annual Report as **Annexure – VIII** along with management's reply to the observations therein.

33.4 Internal Auditor: Your Company engaged Sagar & Associates. [Firm Registration No. 003510S] to conduct Internal Audit for FY 2023-24.

34. COMMENTS OF COMPTROLLER & AUDITOR GENERAL OF INDIA:

The 'Nil' Comments certificate on the Accounts issued by the Comptroller and Auditor General of India for the year ended March 31, 2024 is placed in Annual Report after Statutory Auditors Report.

35. DISCLOSURES UNDER COMPANIES ACT, 2013:

35.1 Borrowings and Debt Servicing: During the year under review, your Company has met all its obligations towards repayment of principal and interest on loans availed.

35.2 Particulars of loans given, investments made, guarantees / securities given: The details of investments made and loans/ guarantees/securities given, as applicable, are given in Notes No. 6, 7 and 14 of the Annual Financial Statements.

35.3 Board Meetings: During the financial year ended on March 31, 2024, the Board met eight (8) times on May 25, 2023, July 18, 2023, August 8, 2023, October 18, 2023, November 7, 2023, January 10, 2024, February 9, 2024 and March 14, 2024. For further details of these meetings, Members may please refer 'Report on Corporate Governance' which forms part of this Annual Report.

35.4 Board Committees: For details regarding Board Committee's, Members may please refer 'Report on Corporate Governance' which forms part of this Annual Report.

35.5 Secretarial Standards: Your Directors state that the Secretarial Standards i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively have been duly followed by the Company.

36. GENERAL AFFIRMATIONS AND DISCLOSURES:

36.1 Your Directors' state that no disclosure is required in respect of the following matters, as there were no transactions/ events in relation thereto, during the year under review:

- a) Details relating to deposits covered under Chapter V of the Companies Act, 2013.
- b) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- c) Issue of shares (including sweat equity shares) to employees of the Company under any scheme of the Company.

36.2 Your Directors further state that:

- a) there was no change in the share capital of the Company during the year under review.
- b) no material changes/commitments of the Company have occurred after the end of the FY 2023-24 and till the date of this report, which affect the financial position of your Company.
- c) no significant or material orders were passed by the Regulators or Courts or Tribunals which impact the 'going concern' status and Company's operations in future.
- d) during the year, no corporate insolvency resolution process was initiated under the Insolvency and Bankruptcy Code, 2016, either by or against the Company, before National Company Law Tribunal or other court(s).

37. ACKNOWLEDGEMENT:

37.1 The Board of Directors wishes to extend its deepest gratitude for the unwavering support and cooperation received from various Government agencies. We acknowledge the Ministry of Defence, establishments under DRDO, and other Central and State Government agencies for their invaluable assistance. The Board also sincerely appreciates the continuous support from our

customers, vendors, bankers, the C&AG, statutory and internal auditors, the Chairperson of the Audit Committee, the Chairpersons of other sub-committees of the Board, as well as our advisers, consultants, and stakeholders. Your guidance and partnership have been instrumental to our progress throughout the year.

37.2 The Board extends its sincere gratitude to all employees of the Company for their outstanding contributions and unwavering cooperation. Your dedication and hard work have been key to our collective achievements.

37.3 Lastly, the Board extends its profound gratitude to our shareholders and investors for their steadfast trust and confidence in the Company. We look forward to your continued support, which will undoubtedly drive the Company towards even greater success in the future.

For and on behalf of the Board of Directors

Sd/-

Dr. Sanjay Kumar Jha

Chairman & Managing Director

DIN: 07533036

Place: Hyderabad

Date : August 9, 2024

REPORT ON CORPORATE GOVERNANCE

MIDHANI's philosophy on code of Governance

Mishra Dhatu Nigam Limited (MIDHANI) is a Mini-Ratna Category – 1, Public Sector Undertaking (PSU) under administrative control of Ministry of Defence (MoD). As a good corporate citizen, MIDHANI's philosophy on Corporate Governance is based on the principles of honesty, integrity, accountability, adequate disclosures, legal compliances, transparency in decision making and avoiding conflicts of interest. MIDHANI strives to transcend beyond the basic requirements of Corporate Governance and focuses consistently towards the interests of individuals, organization and society.

The Company seeks to protect and facilitate the exercise of rights by the shareholders, provides timely information to them and ensures equitable treatment of all shareholders. Company recognizes the rights of its stakeholders and ensures timely and accurate disclosure on all material matters including the financial situation, performance, ownership and governance of the Company.

MIDHANI being a public sector listed Company adheres to Corporate Governance requirements for listed entities enunciated by Department of Public Enterprises and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. MIDHANI has a strong administrative set up to facilitate decentralized and transparent decision making. For effective implementation, the following major good governance practices are followed and have been put in place:

- Code of Conduct for Board of Directors and Senior Management.
- Code of Conduct for Prevention of Insider Trading and Fair disclosure of Unpublished Price Sensitive Information.
- Conduct, Discipline and Appeal Rules for Employees.
- To ensure transparency and Integrity in all contracts, MIDHANI is signing "Integrity Pact" with respective bidders in all high value procurement tenders.
- Anti-Bribery Policy.
- Implementation of Right to Information Act, 2005 and MIDHANI's website is updated on continuous basis for stakeholders awareness about various news and developments.

- Preventive Vigilance has been the thrust area of the Vigilance department and Vigilance department examines major procurements/contracts, conducts regular and surprise inspections. MIDHANI's vigilance set up is headed by a Chief Vigilance Officer.

A report on Corporate Governance in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and guidelines enunciated by the Department of Public Enterprises (DPE), Govt. of India, on Corporate Governance is outlined below.

Board of Directors

Composition of the Board

As on March 31, 2024, the Board of MIDHANI comprised of six (6) Directors, including Three (3) Executive Directors, One (1) Non- Independent Non-Executive and Two (2) Independent Directors (including one Woman Independent Director) which is not in accordance with Regulation 17(1)(b) of SEBI Listing Regulations, which provides that, where listed entity does not have a regular non-executive chairperson, at least half of the Board of Directors shall comprise of Independent Directors.

MIDHANI being a Govt. Company and in accordance with Articles of Association, the Board of Directors has no authority to appoint Directors on the Board of MIDHANI. The authority for appointment of Directors on the Board vests with 'The President of India' acting through Administrative Ministry i.e. Ministry of Defence (MoD). As on March 31, 2024, the position for two (2) Independent Directors remains vacant. MIDHANI will continue to be non-compliant with Regulation 17(1)(b) of SEBI Listing Regulations till such time Administrative Authority appoints two (2) Independent Directors on the Board of MIDHANI.

During the financial year ended on March 31, 2024 the following appointment/re-employment of Directors were observed:

- Department of Defence Production, Ministry of Defence vide Office Memorandum No. 8(32)/2019-D-(Coord/DDP) dated December 8, 2023 appointed, Shri Shalabh Tyagi (Joint Secretary – Personnel & Coordination) (DIN: 10042888) as Govt. Nominee Director of the Company in place of Shri Surendra Prasad Yadav (DIN: 02267582) w.e.f. December 8, 2023.

- Department of Defence Production, Ministry of Defence vide letter No. 5/1(2)/2018/D(NS) dated February 26, 2024 conveyed the approval of competent authority for re-employment of Dr. Sanjay Kumar Jha as Chairman & Managing Director of MIDHANI (DIN: 07533036) on contract basis for a period of Ten (10) months beyond the age of his superannuation i.e. w.e.f. March 1, 2024 upto December 31, 2024 or till regular incumbent joins the post or until further orders, whichever is the earliest.

The composition of the Board of Directors as on March 31, 2024, was as follows:

Name of Director	Date of appointment	Relationship between Directors, inter-se	DIN
EXECUTIVE DIRECTOR(S)/ FUNCTIONAL DIRECTOR(S)			
Dr. Sanjay Kumar Jha Chairman & Managing Director	July 5, 2016	None	07533036
Shri Gowri Sankara Rao Naramsetti Director (Finance) & Chief Financial Officer	October 27, 2020	None	08925899
Shri Thulasiraman Muthukumar, Director (Production & Marketing)	June 23, 2022	None	09636771
GOVERNMENT NOMINEE DIRECTOR			
Shri Shalabh Tyagi, Joint Secretary (P&C) Department of Defence Production, Ministry of Defence	December 8, 2023	None	10042888
NON-EXECUTIVE – INDEPENDENT DIRECTOR			
Shri Valluri Chakrapani	December 24, 2021	None	00867270
Smt. V. T. Rema	April 5, 2022	None	09561611

Key Board expertise and skills

The Directors in your Company are appointed by the President of India acting through the Department of Defence Production, Ministry of Defence, which is in line with Articles of Association of MIDHANI. The selection of Directors on the Board of MIDHANI is done through a meticulous screening process adopted by the Government of India.

The Directors hold qualifications, and possess requisite skills, expertise, competence and experience in core general corporate management, finance, economics and other allied fields, which enable them to contribute effectively to the Company. Following are skills/expertise/competencies of the Board for its effective functioning.

- Industry specific**

- Knowledge of products manufactured by Company.
- Reforms in technological aspects of Metallurgy Industry.
- Understanding laws, rules and regulations specific to a Defence PSU.

- Management skills**

- General Management skill.
- Understanding of micro and macro factors affecting the industry.
- Risk Management.
- Assessment and evaluation of project viability.

- Corporate Governance**

- Protecting stakeholders' interest.
- Observing appropriate governance practices.
- Contribute towards streamlining integrity and good corporate practices across organization.

All Directors on Board of MIDHANI possess the skills/ expertise/ competencies to the extent to facilitate smooth functioning of your Company.

None of our Directors serve as director or as Independent Director in more than seven listed companies and none of the Executive Directors serve as Independent Director on any listed company.

Further, none of our Independent Director serve as Non-Independent Director of any Company on the board of which any of our Non-Independent Director is an Independent Director.

Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

Further, the Independent Directors have in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs.

Shri Thulasiraman Muthukumar (DIN: 09636771) is liable to retire by rotation at the 50th Annual General Meeting scheduled to be held on September 30, 2024 and being eligible, has offered himself for re-appointment.

The brief resume and other requisite details of the Director proposed to be re-appointed are provided in Notice of 50th Annual General Meeting.

CEO & CFO Certificate

In accordance with the provisions of Regulation 17(8) of SEBI Listing Regulations, certificate of Chairman & Managing Director

and Chief Financial Officer in relation to the Financial Statements for the year ended March 31, 2024, forms part of this Annual Report as **Annexure – IX**.

Certificate on Non-disqualification of Directors

None of the Directors hold any shares in the Company. Further, none of the Directors on the Board have been debarred or disqualified from being appointed or continuing as directors by SEBI/ Ministry of Corporate Affairs or any other statutory authority. The certificate of Puttapparthi Jagannatham & Co., Practicing Company Secretaries, certifying the same, forms part of this Annual Report as **Annexure – X**.

Directors' attendance and Directorships held

The Board met eight (8) times during the financial year ended March 31, 2024. The average attendance of Directors for all the Board Meetings during the financial year was 95.83%, details there of are as follows:

Date of Board Meeting	Board Strength	No. of Directors Present	No. of Independent Directors Present
25.05.2023	6	6	2 out of 2
18.07.2023	6	6	2 out of 2
08.08.2023	6	5	2 out of 2
18.10.2023	6	6	2 out of 2
07.11.2023	6	5	2 out of 2
10.01.2024	6	6	2 out of 2
09.02.2024	6	6	2 out of 2
14.03.2024	6	6	2 out of 2

Details of Directors' attendance at the Board Meetings and Annual General Meeting as on March 31, 2024 along with name(s) of listed companies and category of directorship held, are as follows:

Name of Director	No. of Meetings attended during FY 2023-24	Attendance at last Annual General Meeting held on 29.09.2023	No. of other Directorships held ^	Committee positions held in other companies ^{&}		Directorships held in other listed companies and category
				Chairperson	Member%	
Dr. Sanjay Kumar Jha	8	Yes	2	None	None	None
Shri Gowri Sankara Rao Naramsetti	8	Yes	1	None	1	None
Shri Valluri Chakrapani	8	Yes	1	1	1	None
Smt V. T. Rema	8	Yes	1	1	1	None
Shri Thulasiraman Muthukumar	8	Yes	1	None	2	None
[#] Shri Surendra Prasad Yadav	3	Absent	None	None	None	None
[§] Shri Shalabh Tyagi	3	Not applicable	4	None	None	None

[^]Includes directorship in all public limited companies (whether listed or not), including MIDHANI, but excluding Private companies, Section 8 companies and foreign companies.

[&]Only Audit Committee and Stakeholders' Relationship Committee are considered, including committee position held in MIDHANI.

[°]Does not include chairmanships.

[#] Ceased as Government Nominee Director w.e.f. December 8, 2023.

[§] Appointed as Government Nominee Director w.e.f. December 8, 2023.

During FY 2023-24, none of our Directors acted as Member in more than 10 committees or as Chairperson in more than 5 committees across all listed entities where they serve as a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

Board Methodology

Detailed agenda notes setting out the business(es) to be transacted at the Board/Committee meeting(s) are supplied in advance, and decisions are taken after due deliberations. In case of practical difficulty to forward the relevant document(s) with the agenda papers, the same are circulated before the meeting or placed at the meeting.

During FY 2023-24, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, was placed before the Board for its consideration. The Directors were provided with an option to join the Meeting through videoconference, as and when desired by them to attend/participate in Board/Committee Meeting. Further, quorum of Board was un-interested throughout the Meeting in terms of Section 174 of Companies Act, 2013.

The Board engages with the management during business reviews, and provides constructive suggestions and guidance on various issues, including strategy, as required from time to time.

The Board engages with the management during business reviews, and provides constructive suggestions and guidance on various issues, including strategy, as required from time to time.

Independent Directors' meeting

In accordance with the requirements of Schedule IV to the Companies Act, 2013, Secretarial Standard-1 on Board Meetings ('SS-1') and SEBI Listing Regulations, a meeting of Independent Directors was held on March 28, 2024 to discuss, inter-alia, performance of the Board, its committees, and assessment of flow of information from management to the Board.

Appointment and Remuneration of Executive Directors/ Functional Directors, Non-executive Director and Independent Directors

Appointment and remuneration to Functional Directors

The Articles of Association of the Company provides for appointment of all Directors by President of India. The terms and conditions of appointment of a Director are issued by Govt. of India acting through Ministry of Defence. The Functional Directors are generally appointed for a period of five years with effect from date of assumption of charge of the post or till the date of his/ her superannuation or until further orders by MoD whichever is earlier. The Functional Directors are also entitled to performance-related pay in accordance with DPE guidelines. The notice period in case of leaving service before the contractual term is 3 months or in the absence of notice period, 3 months' pay be remitted.

The details of remunerations paid to Functional Directors paid during FY 2023-24:

Figures in ₹

Name of Director	Salary & Allowances	Perquisites	Retirement benefits (Pension/ Gratuity)	Performance related pay during FY 2023-24 (pertaining to profits for FY21-22)
Dr. Sanjay Kumar Jha	58,40,307.57	-	23,00,994.03	14,65,183.00
Shri Gowri Sankara Rao Naramsetti	50,12,156.43	-	5,87,970.00	11,15,972.00
Shri Thulasiraman Muthukumar	74,24,015.59	-	7,68,631.00	-

Appointment and remuneration to Non-Executive Independent Directors

The appointment of Non-executive Independent Directors is under the purview of Govt. of India. The Non-executive Independent Directors are paid sitting fees @₹ 20,000/- per meeting, for attending meetings of Board and @₹ 15,000/- for attending each meeting of its committees thereof. The Independent Directors are reimbursed travelling cost, accommodation cost etc. for attending meetings. The criteria for making payments to Non-Executive Independent Directors of the Company are disclosed on the Company's website at <https://midhani-india.in/policies/>

The details of sitting fees paid to Shri Valluri Chakrapani and Smt. V. T. Rema (Independent Directors), during the financial year ended on March 31, 2024, are as under:

Name of Independent Director	Sitting fees (in ₹)	
	For Board Meetings	For Committee Meetings
Shri Valluri Chakrapani	1,60,000	3,15,000
Smt. V. T. Rema	1,60,000	1,35,000

Appointment and remuneration to Non-Executive - Government Nominee Director

The Government Nominee Director is appointed by the President of India and he/she holds the office till further orders from the Government. They are not entitled to any remuneration or sitting fees. As on March 31, 2024, your Company has one Government Nominee Director i.e., Shri Shalabh Tyagi– JS (P&C).

Board Committees

MIDHANI has the following active Board level Committees:

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders Relationship Committee

- Risk Management Committee
- Corporate Social Responsibility and Sustainable Development Committee
- Procurement Committee
- Human Resources Committee; and
- Share Certificate Committee

MIDHANI has one apex internal committee called Corporate Management Committee.

a) Audit Committee (AC):

During FY 2023-24, four (4) meetings of Audit Committee were held on May 25, 2023, August 08, 2023, November 07, 2023 and February 9, 2024.

The Committee composition and details of Meetings are as below:

Name	Category	Position in Committee	No. of Meetings entitled to attend	No. of Meetings attended
Shri Valluri Chakrapani	Independent Director	Chairman	4	4
Smt. V. T. Rema	Independent Director	Member	4	4
Shri Thulasiraman Muthukumar	Executive Director	Member	4	4

Audit Committee acts as a link between the Auditors of the Company and the Board of Directors of the Company. The terms of reference of the Audit Committee are as specified in Section 177 of the Companies Act, 2013 and the rules made thereunder, the SEBI Listing Regulations and the Guidelines on Corporate Governance issued by the DPE. The primary function of the Committee is to assist the Board of Directors in fulfilling its responsibilities by reviewing, the financial reports, systems of internal controls, accounting and legal compliance, and auditing, accounting and financial reporting process.

The Audit Committee reviews reports of the Internal Auditors, Statutory Auditors and discusses their findings, suggestions and other related matters and reviews the major accounting policies followed by your Company. The Audit Committee reviews and recommends to Board the quarterly, half yearly and annual financial statements for their approval. The detailed terms of reference of Audit committee are as follows:

- i) The Audit Committee shall meet at least four times in a year and not more than 120 days shall elapse between two meetings. The quorum shall be either two members or one third of the members of the Audit Committee whichever is greater, but there should be a minimum of two independent directors present.

- ii) The Chairman of the Audit Committee shall be present at the Annual General Meeting of the Company to answer shareholder queries.
- iii) The Audit Committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the company. The Finance Director, Head of Internal Audit and a representative of the Statutory Auditors of the Company may be present as invitees for the meetings of the Audit Committee.
- iv) The Audit Committee shall have powers, which should include the following:
 - a) to investigate any activity within its terms of reference;
 - b) to seek information from any employee of the Company;
 - c) to obtain outside legal or other professional advice; and
 - d) to secure attendance of outsiders with relevant expertise, if it considers necessary.

- v) The role of the Audit Committee shall include the following:
- a) oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
 - b) make recommendation for appointment, remuneration and terms of appointment of auditors of the Company based on the order of Comptroller & Auditor General of India, being Government Company, as applicable;
 - c) approve payment to statutory auditors for any other services rendered by them;
 - d) review with the management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to :-
 - i. matters required to be included in the Director's Responsibility Statement to be included in the Board of Directors report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - ii. changes, if any, in accounting policies and practices and reasons for the same;
 - iii. major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
 - iv. significant adjustments made in the financial statements arising out of audit findings;
 - v. compliance with listing and other legal requirements relating to financial statements;
 - vi. disclosure of any related party transactions; and
 - vii. Modified opinion(s) in the draft audit report.
 - e) Review, with the management, the quarterly financial statements before submission to the Board of Directors for their approval;
 - f) Review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to our Board of Directors to take up steps in this matter;
 - g) Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
 - h) Approve or subsequently modify transactions of the Company with related parties;
 - i) Scrutiny of inter-corporate loans and investments;
 - j) Conduct valuation of undertakings or assets of the Company, wherever it is necessary;
 - k) Evaluate Internal Financial Controls and Risk Management Systems;
 - l) Review, with the management, performance of Statutory and Internal Auditors, adequacy of the Internal Control Systems;
 - m) Review the adequacy of Internal Audit function, if any, including the structure of the Internal Audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - n) Discuss with Internal Auditors of any significant findings and follow up there on;
 - o) Review the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 - p) Discuss with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 - r) To review the functioning of the Whistle Blower Mechanism;
 - s) Approve the appointment of the Chief Financial Officer of the Company after assessing the qualifications, experience and background, etc. of the candidate;
 - t) Carry out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board of Directors of the Company or specified/ provided under the Companies Act, 2013 or

by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or by any other regulatory authority

- u) To review the follow up action on the audit observations of the C&AG audit;
- v) Recommend the appointment, removal and fixing of remuneration of Cost Auditors and Secretarial Auditors;
- w) The Company Secretary acts as Secretary to the Committee;
- x) Chairman of Audit Committee shall be a Non-executive Independent Director, who has accounting

and related financial management expertise. All members of Audit Committee have good knowledge of accounting and expertise in financial matters. The Committee regularly interacts with the representatives of external audit firms carrying out Internal/ Statutory Audit of the Company and takes stock of all the finance related matters; and

- y) The Chairman of the Audit Committee shall apprise the Board about the observations of the Audit Committee during the Board Meetings. The Minutes of the Audit Committee Meetings shall be placed before the Board of Directors at their subsequent meetings for information.

b) Nomination & Remuneration Committee (NRC)

As on March 31, 2024, the NRC comprised of Two (2) Independent Directors and One (1) Non-Executive Director. During FY 2023- 24, one (1) Meeting of NRC was held on May 17, 2023.

The Committee composition and details of Meeting is as below:

Name	Category	Position in Committee	No. of meetings entitled to attend	No. of Meetings attended
Shri Valluri Chakrapani	Independent Director	Chairman	1	1
Smt. V. T. Rema	Independent Director	Member	1	1
*Shri Surendra Prasad Yadav	Govt. Nominee Director	Member	1	1
@Shri Shalabh Tyagi	Govt. Nominee Director	Member	Not applicable	Not applicable

*Shri Surendra Prasad Yadav ceased to be Govt. Nominee Director of the Company w.e.f December 08, 2023.

@Shri Shalabh Tyagi was appointed as Govt. Nominee Director of the Company w.e.f. December 08, 2023.

The terms and reference to Nomination & Remuneration Committee are as follows:

- (i) Decide on the annual bonus/ performance pay/ variable pay pool and policy for its distribution across the executives and non-unionized supervisors of our Company;
- (ii) Formulation and modification of schemes for providing perks and allowances for officers and nonunionized supervisors;
- (iii) Any new scheme of compensation like medical scheme, pension etc. to officers, non-unionized supervisors and the employees as the case may be;
- (iv) Exercising such other roles assigned to it by the provisions of the SEBI Listing Regulations and any other laws and their amendments from time to time; and
- (v) Company Secretary acts as Secretary to the Committee.

c) Stakeholders Relationship Committee (SRC)

As on March 31, 2024, SRC comprised of Two (2) Independent Directors and Two (2) Executive Directors. During FY 2023-24, one (1) Meeting of SRC was held on February 28, 2024.

The Committee composition and details of Meeting is as below:

Name	Category	Position in Committee	No. of Meetings entitled to attend	No. of Meetings attended
Smt. V. T. Rema	Independent Director	Chairperson	1	1
Shri Valluri Chakrapani	Independent Director	Member	1	1
Shri Gowri Sankara Rao Naramsetti	Executive Director	Member	1	1
Shri Thulasiraman Muthukumar	Executive Director	Member	1	1

During the year under review, the status of investor complaints was as follows:

Opening balance	Received	Resolved	Closing Balance
Nil	1	1	Nil

The terms of reference of SRC in accordance with Companies Act 2013 and SEBI Listing Regulations, are as follows:

- (i) Redressal of all securities holders' and investors' grievances such as complaints related to transfer of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt

of annual reports, etc. and assisting with quarterly reporting of such complaints;

- (ii) Giving effect to all transfer/transmission of shares and debentures, dematerialization/ rematerialization of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
- (iii) Overseeing the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services; and
- (iv) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act, 2013 or SEBI Listing Regulations, or by any other regulatory authority.

d) Risk Management Committee (RMC)

As on March 31, 2024, RMC comprised of Three (3) Executive Directors, One (1) Independent Director and Two (2) (non -Board) Members. During FY 2023-24, Two (2) Meetings of RMC were held on September 11, 2023 and March 6, 2024.

The Committee composition and details of Meetings are as below:

Name	Category	Position in Committee	No. of Meetings entitled to attend	No. of Meetings attended
Dr. Sanjay Kumar Jha	Executive Director	Chairman	2	2
Shri Gowri Sankara Rao Naramsetti	Executive Director	Member	2	2
Shri Valluri Chakrapani	Independent Director	Member	2	2
Shri Thulasiraman Muthukumar	Executive Director	Member	2	2
[§] Shri Debasish Dutta	General Manager (Projects)	Member	1	1
Smt. K. Madhubala	General Manager (Finance & Accounts)	Member	2	2
[#] Shri Sasidharan Palasseri	General Manager (Engineering Services)	Member	1	1

[§]Shri Debasish Dutta ceased to be Member of RMC w.e.f December 31, 2023.

[#]Shri Sasidharan Palasseri inducted as Member of RMC w.e.f January 10, 2024.

The terms of reference to RMC are as follows:

- i) To review the Risk Management Policy and associated frameworks, processes and practices of the Company and recommend any proposed changes to the Board for approval;
- ii) To review and assess the quality, integrity and effectiveness of the risk management systems especially Cyber Security measures taken up by the Company and ensure that the risk policies and strategies are effectively managed;
- iii) To ensure that the Company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities;
- iv) To assist the Board in setting risk strategies, policies, frameworks, models and procedures;
- v) To review and assess the nature, role, responsibility and authority of the risk management function within the Company and outline the scope of risk management work;
- vi) To ensure that the Company has implemented an effective ongoing process to identify risk, to measure its potential impact against a broad set of assumptions and then to activate what is necessary to pro-actively manage these risks, and to decide the Company's appetite or tolerance for risk;
- vii) Identify additional risks, if any and decide risk mitigation plans including risk acceptance;
- viii) The Committee can frame its own guideline for conducting its meetings; and
- ix) Company Secretary shall act as Secretary of the Committee.

e) Corporate Social Responsibility (CSR) Committee & Sustainable Development (SD) Committee (CSR&SD)

The Board of Directors of your Company has approved the Corporate Social Responsibility and Sustainability Policy formulated as per the Section 135 of the Companies Act, 2013 and the rules framed thereunder and the Corporate Social Responsibility & Sustainability Guidelines issued by the DPE. The aforesaid policy is available at the website of company at www.midhani-india.in

As on March 31, 2024, the CSR&SD Committee comprised of Three (3) Executive Directors and One (1) Independent Director. During FY 2023-24, Two (2) Meetings of CSR&SD were held on August 07, 2023 and January 9, 2024.

The Committee composition and details of Meetings are as below:

Name	Category	Position in Committee	No. of Meetings entitled to attend	No. of Meetings attended
Dr. Sanjay Kumar Jha	Executive Director	Chairman	2	2
Shri Gowri Sankara Rao Naramsetti	Executive Director	Member	2	2
Shri Valluri Chakrapani	Independent Director	Member	2	2
Shri Thulasiraman Muthukumar	Executive Director	Member	2	2

The CSR & SD Committee under the Chairmanship of Chairman & Managing Director has been constituted in terms of the said Policy for planning, implementation and monitoring of the CSR & SD activities of your Company.

The terms of reference of the CSR & SD Committee, *inter-alia*, includes the following:

- i) Formulation and recommending to the Board the CSR Policy indicating the activities to be undertaken by the Company covered under Schedule VII

of the Companies Act, 2013 and adhering to guidelines of DPE.

- ii) To monitor the CSR Policy of the Company from time to time.

f) Procurement Committee (PC)

The PC was constituted by Board of Directors of the Company on January 22, 2008 for the purposes of authorizing procurement of materials beyond the individual delegated powers of Chairman & Managing Director.

As on March 31, 2024, the PC comprised of three (3) Executive Directors and one (1) Independent Director. During FY 2023-24, nine (9) Meetings of PC were held on May 16, 2023, July 17, 2023, September 23, 2023, September 29, 2023, December 14, 2023, January 09, 2024, February 8, 2024, February 19, 2024 and March 30, 2024.

The Committee composition and details of Meetings are as below:

Name	Category	Position in Committee	No. of Meetings entitled to attend	No. of Meetings attended
Dr. Sanjay Kumar Jha	Executive Director	Chairman	9	9
Shri Gowri Sankara Rao Naramsetti	Executive Director	Member	9	9
Shri Valluri Chakrapani	Independent Director	Member	9	9
Shri Thulasiraman Muthukumar	Executive Director	Member	9	9

The terms of reference of PC are as follows:

- (i) The Committee shall have the powers of Board to deal with all cases of Procurement of Raw Materials, Consumables and other revenue items beyond the delegated powers of Chairman & Managing Director;
- (ii) In respect of Capital items, the Committee shall have full powers of the Board, provided AoN (i.e. Acceptance of Necessity) was approved by the Board, any deviation from the original approvals shall require fresh approval of the Board;
- (iii) To consider and clear the Procurement Proposals beyond the delegated powers of Chairman & Managing Director as per delegation of powers approved by Board, subject to adhering to the due process laid down in the Purchase Policy & Procedures in vogue in the Company;
- (iv) To consider and approve such other Procurement proposals as may be entrusted by the Board from time to time;
- (v) To study and recommend to Board the Policies & Procedures to be followed by the Company in the matter of Procurement of materials and equipment including the recommendation to Board for approval of Purchase manual;
- (vi) To consider and advise Board on matters relating to e-procurement;
- (vii) To consider and advise Board on the matters relating to CVC Guidelines/ MoD instructions; and
- (viii) The C&MD of the Company shall act as Chairman of the Committee and in the absence of the Chairman; the members present may elect the Chairman and conduct the proceedings. The proposals approved by the Committee shall be put up to Board at its next meeting for information.

g) Human Resources Committee (HRC)

The HRC was constituted by the Board of Directors on July 22, 2011. HRC is being headed by an Independent Director, the brief roles of HRC is to scrutinize various proposals coming to Board involving HR issues, Personnel policies to be pursued by the Company and such other issues as may be entrusted to it by the Board from time to time.

As on March 31, 2024, HRC comprised of Two (2) Independent Directors and Two (2) Executive Directors. During FY 2023-24, three (3) Meetings of HRC were held on May 24, 2023, August 07, 2023, and January 09, 2024.

The Committee composition and details of Meetings are as below:

Name	Category	Position in Committee	No. of Meetings entitled to attend	No. of Meetings attended
Shri Valluri Chakrapani	Independent Director	Chairman	3	3
Shri Gowri Sankara Rao Naramsetti	Executive Director	Member	3	3
Smt. V. T. Rema	Independent Director	Member	3	3
Shri Thulasiraman Muthukumar	Executive Director	Member	3	3

The detailed terms of reference of HRC are as follows:

- (i) To review and make suggestions to Board of Directors in respect of Policy matters relating to both Executives (including Non-Unionized Supervisory Cadre) and Non-Executives in respect of the following matters:
 - a) Creation /abolition of Posts - fixing optimum manpower strength.
 - b) Changes in the Organization Structure, Designations, allocation of functions.
 - c) Recruitment Rules and Procedure.
 - d) Service conditions like Leaves, TA&DA, Medical, LTC etc.
 - e) Salary / Wage structure - Scales of Pay-Increments and other related matters.
 - f) Perquisites and Allowances, Bonus, Performance and Productivity Related Incentive Schemes.
 - g) Retirement benefits and plans.
 - h) Creation and Maintenance of Provident Fund, Gratuity Fund, Pension Fund etc.
 - i) All Welfare Schemes including Canteen, School, Transport, Awards/ Rewards, Ex-gratia, Gifts and other benefits including facilities to be extended after retirement.
 - j) Maintenance of Town Ship and Estate Matters.
 - k) Career Development Plans including Training & Development Programs - Engagement of GETs / MTs and the Schemes relating to them.
 - l) Framing up of Conduct, Discipline and Appeal (CDA) Rules and Standing Order as applicable.
 - m) Review and make suitable recommendations to Board in respect of Disciplinary proceedings / reports / actions taken and/or to be taken.
 - n) Introduction of Voluntary Retirement, Compulsory Retirement and other Separation Schemes.
 - o) Vigilance and Security related issues.
 - p) Trade Unions, Officers/Supervisors Associations.
- (ii) Recommending to Board of Directors regarding grant of donations to charitable and other funds on account of natural calamities.
- (iii) The committee shall submit its recommendations to Board for its consideration and approval. The committee can frame its own guidelines for conducting its meeting.

h) Share Certificate Committee (SCC)

SCC was constituted w.e.f. August 8, 2018 for considering the request for Transfer, transmission, de-mat, re-mat of shares and issue of duplicate share certificates and approve the same for complying with the provisions of the Companies Act, 2013 and SEBI Listing Regulations. Company Secretary acts as Secretary to the Committee.

As on March 31, 2024, SCC comprised of three (3) Executive Directors. No Meeting of SCC was held during FY 2023-24.

i) Corporate Management Committee (CMC)

A Committee known as Management Committee (MC) was functioning since the year 1980. During the year 2003 the same was re-constituted as "Corporate Management Committee" (CMC). CMC was constituted for carrying out effective planning, organizing, coordination and control over the day-to-day operations of Management.

CMC plays important role in resolving inter / intra departmental execution delays/bottlenecks and strives to ensure free flow of work at various levels within the organization.

CMC meetings are held under the Chairmanship of C&MD of the Company with the senior level functionaries of the Company i.e. Additional General Manager and above as its members. Company Secretary acts as the Secretary of the Committee.

The terms of reference to CMC, subject to discussions and deliberations at the meeting, inter -alia includes:

- (i) Review of Production/major Projects and Financial Performance and Marketing Operations;
- (ii) Ways and means of improving cash flows in the organization;
- (iii) Employee relations / resolving Personnel grievances;
- (iv) Systems improvements; and
- (v) Improving inter-departmental; inter-functional co-ordination and resolving inter-departmental and intradepartmental bottlenecks, if any.

Senior management:

In terms of Clause 5B of Schedule V of SEBI Listing Regulations, the particulars of Senior Management are provided below:

Key Managerial Personnel

1. Dr. Sanjay Kumar Jha – Chairman & Managing Director;
2. Shri Gowri Sankara Rao Naramsetti – Director (Finance) & Chief Financial Officer; and

3. Shri Paul Antony – Company Secretary & Compliance Officer.

General Managers

1. Shri Sasidharan Palasseri- General Manager (Engineering Services)
2. Shri A. Ramakrishna Rao- General Manager (Human Resource)
3. Shri Supartha Sen- General Manager (Coord. & CP)*
4. Shri Debasish Dutta- General Manager (Projects)[§]

5. Smt. Madhubala Kalluri- General Manager (Finance & Accounts)[%]

6. Shri Arun Kumar Sharma- General Manager (Technical Services)[%]

7. Shri Anand Kumar Kaluvala- General Manager (P-II & IV)[%]

Notes:

* Retired on 30th November, 2023

§ Retired on 31st December, 2023

% Promoted as General Manager w.e.f. July 1, 2023

Annual General Meetings (AGM)

The details of the last three (3) Annual General Meetings of your Company are given below:

Date & Time	47 th Annual General Meeting held on September 29, 2021 at 11:00 a.m.	48 th Annual General Meeting held on September 29, 2022 at 11:00 a.m.	49 th Annual General Meeting held on September 29, 2023 at 11:00 a.m.
Venue	Through Video Conferencing - Mishra Dhatu Nigam Limited – P.O. Kanchanbagh, Hyderabad - 500058		
Special Resolution(s) passed, if any	None	None	None

Extra-ordinary General Meeting (EGM):

During last three years, i.e. FY 2021 to FY 2024 no EGM was held.

Postal Ballot:

During the year ended on March 31, 2024, there were no Resolutions passed through postal ballot.

Other Disclosures in terms of SEBI Listing Regulations & Guidelines on Corporate Governance for Central Public Sector Enterprises:

Related Party Transaction

During the financial year ended on March 31, 2024, all transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI Listing Regulations were in the ordinary course of business and on arm's length terms, and they do not attract the provisions of Section 188 of the Companies Act, 2013.

There were also no materially significant related party transactions that may have a potential conflict with the interests of the Company at large. The Audit Committee reviews the statement containing details of every transaction with the related parties, on quarterly basis.

Disclosure of related party transactions as per Ind AS-24, issued by the Institute of Chartered Accountants of India, is given at note no 40 of the Notes forming part of Annual Accounts for FY 2023-24.

Disclosure of certain type of agreements binding listed entities

There is no agreement impacting management or control of the Company or imposing any restriction or creating any liability upon the Company as stated under Schedule III, Para A, Clause 5A of the SEBI Listing Regulations.

Details of Compliance/Non-compliance under SEBI Listing Regulations:

As on March 31, 2024, the Board of MIDHANI comprised of Three (3) Executive Directors, Two (2) Independent Directors and One (1) Govt. Nominee Director. During FY 2023-24, MIDHANI also re-constituted statutory Board level Committees in line with applicable Regulations of SEBI Listing Regulations.

Hence as on March 31, 2024, MIDHANI complies with all SEBI Listing Regulations except Regulation 17(1)(b) of SEBI Listing Regulations which provides that, at least half of Board of listed entity shall comprise of Independent Director in case where listed entity does not have a regular non-executive chairman. As on March 31, 2024, there exist vacancies of two (2) Independent Director on the Board of MIDHANI.

Due to non-compliance with Regulation 17(1)(b) of SEBI Listing Regulations, Stock Exchanges i.e. BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) have imposed penalties.

The company has sought waiver of fine imposed by Stock Exchanges in accordance with carve out policy and in line with NSE Circular dated March 31, 2024.

As on March 31, 2024 Company has not paid any fine to stock exchanges. Stock Exchanges have not taken any further action apart from levy of penalties as specified in SEBI Circular dated January 22, 2020.

Considering compliance of SEBI Listing Regulations (except Regulation 17(1)(b) of SEBI Listing Regulations), NSE vide its letter bearing Ref. No. NSE/LIST/SOP/1054 dated October 16, 2023 favorably considered fine waiver request submitted by MIDHANI and waived off penalties imposed for past non-compliances pertaining to Regulation 17, 18, 19, 20 & 21.

As on March 31, 2024, the Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clause (b) to (i) of Regulation 46(2) of the SEBI Listing Regulations, as applicable, except Regulation 17(1)(b) of SEBI Listing Regulations.

The Independent Directors have the requisite qualifications and experience which enable them to contribute effectively. Terms and conditions of appointment of Independent Directors are hosted on Company's website at <https://midhani-india.in/policies/>

The CEO/CFO certificate in terms of Regulation 17(8) of the SEBI Regulations has been placed before the Board and forms part of Annual Report as **Annexure- IX**. In terms of Part – E of Schedule II of SEBI Listing Regulations, the Company has complied with some of the non-mandatory requirements of the SEBI Listing Regulations on Corporate Governance such as, the head of internal audit of the Company directly reports to Audit Committee and the Auditor's Report on standalone and consolidated financial statement of the Company for Financial Year ended on March 31, 2024 are unqualified.

Training and Evaluation of Directors

The Board members of MIDHANI are senior executives who have a wide and varied experience in the areas of Education, Industry, Defence, Management, Human Resource Management and Administration.

Presentations are made to the Board members on the Company's performance, Business model, Corporate plan and outlook, on their induction in the Board. In addition, at the Board/ Committee/ other meetings, detailed presentations are made by the senior

management personnel/ professionals/consultants on business related issues, risk assessment, risk policy etc. The directors are encouraged to identify and attend specific training programs to improve their effectiveness. The details of Familiarization Program are available on the website of the Company at <https://midhani-india.in/policies/>

MIDHANI is a Government of India owned Public Sector Enterprise under administrative control of Ministry of Defence. The Directors of the Company are Presidential appointees and their remuneration (i.e. in case of functional Directors) is fixed in accordance with the DPE guidelines. Accordingly, Article 67 of the Articles of Association of MIDHANI states that the President of India is empowered to appoint Directors and determine their remuneration. Since the Board level appointments are made by the President of India, the evaluation of performance of such appointees is also done by the Government of India.

Other Affirmations

During the year under review, your Company has not raised any funds through preferential allotment or qualified institutional placement, as specified under Regulation 32 (7A) of the SEBI Listing Regulations.

During the year under review, all the recommendations made by the committees of the Directors have been accepted by the Board of Directors.

There were no items of expenditure included in the Financial Statements which are personal in nature to any Member of the Board or Senior Management of the company except as permitted by the extant rules in force in the Company.

There were no items of expenditure included in the Financial Statements which were incurred not for the purposes of the business. No material changes and commitments, affecting financial position of Company, have occurred between end of the Financial Year of the Company and the date of this Report.

The Administrative and Office Expenses as a percentage of total expenses stood at as compared to 2.43% in the previous year and such percentage in respect of financial expenses was when compared to 3.42% in the previous year. No extravagancy was found in the Expenditure on the part of the Board Members and Senior Management Personnel.

There has been no change in the nature of business of the Company during the year under report. The Company has complied with all Presidential directives issued by Central Government regarding the operation of PSUs.

Management Discussion and Analysis covering the operations of the Company, forms part of this Annual Report.

Prevention of Sexual Harassment of Women at Workplace

During the year under review, status of complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, was as follows:

Number of Complaints filed during FY 23-24	Number of Complaints disposed of during FY 23-24	Number of Complaints pending as on March 31, 2024
Nil	Nil	Nil

Fee paid to Statutory Auditor during FY 2023-24:

(₹ Lakh)

Particulars	Amount
Statutory Audit & Limited Review	9.25
Tax Audit	1.40
Total	10.65

Means of Communication

After consideration and approval by the Board, the quarterly/half yearly and yearly financial results are submitted and subsequently posted on the websites of the BSE, NSE (stock exchanges) and same are published on the Company's website at <https://midhani-india.in/financial-results/>.

MIDHANI also conducts earnings call with analyst/investor on quarterly/yearly financial results. The transcript and recordings of such earnings calls are available on website of Company and also available on the website of stock exchanges.

In terms with Regulation 47 of SEBI Listing Regulations, the financial results are published in one English national daily, having all India circulation, one Hindi Daily and at least in one local Telugu daily within 48 hours of its adoption. The Annual Report of the Company, on placement before both the houses of Parliament is posted in the website viz. <https://midhani-india.in/annual-reports/>. The website of the Company also displays all official news releases and investor presentation.

Policies & Code framed

Policy of Materiality of and of dealing with Related party Transactions

The Company has formulated the 'Policy on Materiality of and dealing with Related Party Transactions', is hosted on Company's website at <https://midhani-india.in/policies/>

Vigilance & Whistle Blower Policy

The company's vigilance set up is headed by a Chief Vigilance Officer. Preventive Vigilance has been the thrust area of the Vigilance department and Vigilance department examines major procurements/contracts, conducts regular and surprise inspections. Company has in place "Whistle Blower Policy" and same is available on the website on the Company at https://midhani-india.in/department_vigilance/whistle-blower-policy-document/.

Policy on Material Subsidiaries

Your company does not have any subsidiaries as on March 31, 2024, hence policy on determining material subsidiaries is not yet formulated.

Code of Conduct

The Board of Directors of your Company has formulated a "Code of Business Conduct and Ethics for Board Members and Senior Management" for better Corporate Governance and fair & transparent practices as per Guidelines issued by the Department of Public Enterprises. A copy of the same has been circulated to all concerned and posted on your Company's website. The Board members and senior management personnel to whom the said Code is applicable have affirmed compliance of the same for the year ended March 31, 2024. A declaration to this effect signed by the Chairman & Managing Director of your Company forms part of Annual Report at **Annexure – VI**.

General Shareholders Information

Forthcoming 50th Annual General Meeting

Date	September 30, 2024
Time	11:00 am
Venue	Through Video conferencing in line with General Circular No. 9/2023 dated September 25, 2023 issued by MCA.

Cut-Off date for remote e-voting

The Cut-Off Date for the purpose of remote e-voting and e-voting during the 50th Annual General Meeting will be September 23, 2024.

Financial year

The financial year commence on April 1 of each year till March 31 of next year.

Tentative calendar of Board Meeting for FY 2024-25 is as under:

The tentative calendar of Board Meeting for FY 2024-25 is as below:

Results for quarter ending June 30, 2024	On/before August 14, 2024
Results for quarter and half-year ending September 30, 2024	On/before November 14, 2024
Results for quarter ending December 31, 2024	On/before February 14, 2025
Results for the quarter and year ending March 31, 2025	On/before May 30, 2025

Unpaid & Unclaimed Dividend details

Pursuant to the applicable provisions of the Companies Act, 2013, read with the Investor Education and Protection Fund ('IEPF') Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the statement furnishing information of unpaid and unclaimed dividend (interim & final) for previous seven years is available on the website of the Company at <https://midhani-india.in/unpaid-unclaimed-dividend-list/>.

Further, no unclaimed dividend from previous years is due to be transferred to the IEPF as on March 31, 2024.

Listing of Equity Shares on Stock Exchanges and Stock Codes

Name of Stock Exchange(s)	Script code/ Trading Symbol
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	541195
National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C-1, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051	MIDHANI

MIDHANI Equity shares got listed in April, 2018 and as per market capitalization on March 31, 2024 MIDHANI fall under category of top 1000 listed companies.

The ISIN of Equity Shares of the Company is **INE099Z01011**.

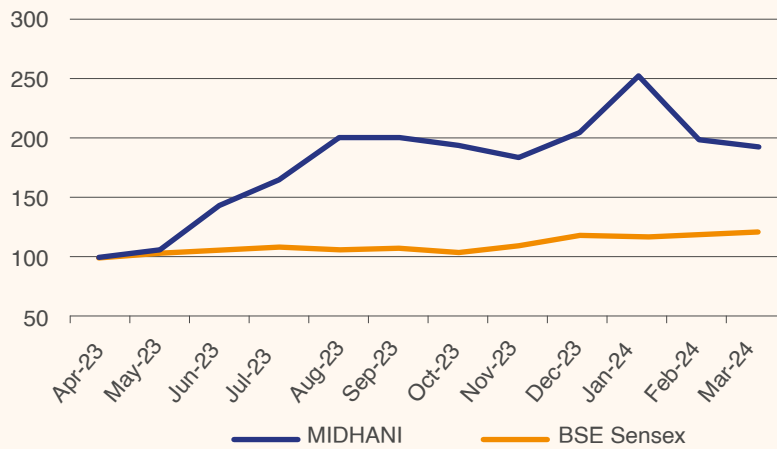
The annual listing fees have been paid to both stock exchanges i.e. BSE & NSE for FY 2023-24. The Company has also paid Annual Custodian fees to both the Depositories i.e NSDL and CDSL.

Market price of shares

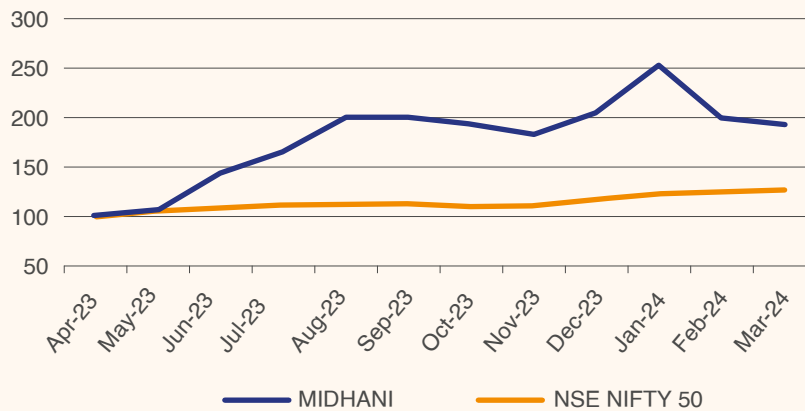
The details of high/low market prices of the shares of the Company during each month of FY 23-24 at BSE and NSE was as follows:

Month	BSE				NSE			
	MIDHANI		SENSEX		MIDHANI		NIFTY 50	
	High (in ₹)	Low (in ₹)	High	Low	High (in ₹)	Low (in ₹)	High	Low
Apr-23	207.35	184.00	61,209.46	58,793.08	207.45	185.10	18089.15	17312.75
May-23	241.65	199.45	63,036.12	61,002.17	241.80	199.70	18662.45	18042.40
Jun-23	306.95	215.00	64,768.58	62,359.14	306.80	216.45	19201.70	18464.55
Jul-23	345.60	285.25	67,619.17	64,836.16	345.70	285.50	19991.85	19234.40
Aug-23	426.20	336.90	66,658.12	64,723.63	426.30	335.70	19795.60	19223.65
Sep-23	447.95	386.50	67,927.23	64,818.37	444.00	386.00	20222.45	19255.70
Oct-23	476.40	376.95	66,592.16	63,092.98	476.70	375.00	19849.75	18837.85
Nov-23	413.50	352.35	67,069.89	63,550.46	413.90	352.45	20158.70	18973.70
Dec-23	431.75	372.00	72,484.34	67,149.07	431.60	372.00	21801.45	20183.70
Jan-24	538.00	393.85	73,427.59	70,001.60	538.40	393.35	22124.15	21137.20
Feb-24	547.45	391.05	73,413.93	70,809.84	547.50	391.00	22297.50	21530.20
Mar-24	439.70	345.00	74,245.17	71,674.42	439.85	345.00	22526.60	21710.20

Movement of MIDHANI share price at BSE during FY 2023-24



Movement of MIDHANI's share price as NSE during FY 2023-24



Note: The price of share of MIDHANI at BSE & NSE and BSE & NSE index has been baselined to 100 for April 2023.

Shareholding pattern as on March 31, 2024

Category	No. of shareholders	No. Equity shares held	% of paid up equity share capital
Promoter & Promoter Group (A)	1	13,86,31,600	74
Public Shareholding (B)			
Mutual Funds	7	1,74,56,284	9.32
Foreign Portfolio Investors	54	20,14,004	1.08
Alternate Investment Funds	2	1,79,100	0.10
Insurance Companies	3	30,32,415	1.62
Bodies Corporate	443	18,40,820	0.98
Non-Resident Indians	1,633	5,83,847	0.31
Trusts	7	46,201	0.02

Category	No. of shareholders	No. Equity shares held	% of paid up equity share capital
Clearing Members	39	2,22,211	0.12
HUF	2,347	9,84,190	0.52
Employees	120	30,510	0.02
NBFCs Registered with RBI	3	5,381	0.00
Individuals	1,18,348	2,23,13,437	11.91
Total Public Shareholding (B)	1,23,006	4,87,08,400	26.00
Total Shareholding (A+B)	1,23,007	18,73,40,000	100

None of the Directors of Company hold shares in Company.

Distribution of shareholding by size as on March 31, 2024

No. of equity shares held	No. of shareholders	% of total shareholders	No. of equity shares held	% of paid up equity share capital
Upto 500	1,15,292	93.73	92,55,708	4.94
501-1000	4,136	3.36	32,60,143	1.74
1001-5000	3,052	2.48	63,68,070	3.40
5001-10000	310	0.25	22,77,224	1.22
10001 & above	217	0.18	16,61,78,855	88.70
Total	1,23,007	100	13,73,40,000	100

Commodity risks or foreign exchange risk and hedging activities

Your Company had no exposure to commodity and commodity risks for the financial year 2023-24. Further, your Company does not involve in hedging activities. The Company is exposed to foreign exchange exposures related to procurement of materials and services. These procurements are mostly covered under exchange rate variation clause for reimbursement of exchange rate variations arising out of foreign currency fluctuations. Hence, your Company has no direct exposure on this account.

Prohibition of Insider Trading

The Company has adopted 'Code of Conduct to Regulate Monitor and Report Trading by Designated Persons' in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations). The Company issues circulars, notifications etc. from time to time to sensitize Designated Persons with PIT Regulations. The Company's Code of practices and processes for disclosure of unpublished price sensitive information is available on Company's website at <https://midhani-india.in/policies/>

Dematerialisation of Shares and Liquidity

The Company's shares are admitted into both the depositories i.e. National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'). As on

March 31, 2024, the number of equity shares in electronic form and physical form was as follows:

	No. of shares	% of paid up equity shares
Demat shares with NSDL	17,48,07,721	93.31
Demat shares with CDSL	1,25,32,279	6.69
Physical shares	-	-
Total no. of shares	18,73,40,000	100

Outstanding GDRs/ADRs/Warrants

There are no outstanding GDRs/ADRs/ Warrants or any convertible instruments as on March 31, 2024.

Credit Ratings obtained/reaffirmed during the year

During the year under review, Credit Rating Agency 'CRISIL Ratings Limited' has reaffirmed long term rating at AA-/Stable & short term rating at A1+.

Details of shares held in Unclaimed Suspense Account

There are no outstanding shares lying in the unclaimed suspense account as on March 31, 2024.

Plant Locations (As on March 31, 2024)

City	Address
Hyderabad, Telangana	P.O. Kanchanbagh - 500058
Rohtak, Haryana	Mishra Dhatu Nigam Limited, Plot No. 8 & 13, Sector 30 A, IMT, Rohtak, Haryana- 124 001

Details of Compliance Officer / Address for Investor correspondence

Shri Paul Antony
 Company Secretary & Compliance Officer,
 P.O Kanchanbagh, Hyderabad- 500058
 Tele-Fax: 040 2418 4515/ 040 2956 8502
 Email: company.secretary@midhani-india.in

Place: Hyderabad
 Date: May 29, 2024

Details of IEPF Nodal Officer

Shri Paul Antony
 Company Secretary & Compliance Officer
 P.O Kanchanbagh, Hyderabad- 500058
 Tele-Fax: 040 2418 4515/ 040 2956 8502
 Email: company.secretary@midhani-india.in

Registrar and share transfer agent

Alankit Assignments Limited
 4E/2 Jhandewalan Extension,
 New Delhi -110 055
 Tel: 011-42541234 / 23541234; Fax: 011- 42541201
 Email: rta@alankit.com

Share Transfer System

The dematerialized shares of the Company are transferable through the depository system. However, the shares held in physical form are processed by the Registrar & Transfer Agent of the Company in coordination with Share Certificate Committee of Company. As on March 31, 2024, no equity shares of the Company were held in physical form.

For **Mishra Dhatu Nigam Limited**

Sd/-
Dr. Sanjay Kumar Jha
 Chairman & Managing Director
 DIN: 07533036

MANAGEMENT DISCUSSION AND ANALYSIS

1.0 FORWARD LOOKING STATEMENTS:

- 1.1 Certain statements in this report about our business activities may be forward-looking. Statements about financial status, corporate strategy, management goals and future operations are not considered historical facts. Forward-looking statements use language like ‘believes’, ‘estimates’, ‘anticipates’, ‘expects’, ‘intends’, ‘may’, ‘will’, ‘plans’ and ‘outlook’ to describe future operational or financial performance. Forward-looking statements depend on assumptions, data and methods that may not be accurate or achievable due to various risks, uncertainties and other important factors. They are not guarantees of future results but rather reflect our current expectations based on reasonable assumptions. We do not intend to update or amend any forward-looking statements based on new information or future events.
- 1.2 The financial statements are prepared using the historical cost convention, on an accrual basis of accounting and by the rules of the Companies Act of 2013 (the “Act”), as well as the Indian Accounting Standards (Ind AS) stipulated in Section 133. We have employed cautious and reasonable assumptions and judgments in our financial statements to accurately depict the year’s state of affairs.
- 1.3 The discussion of our financial condition and operations should be read together with our audited consolidated financial statements and notes in the Annual Report.

2.0 Global economic overview¹:

The global economy has shown remarkable resilience, maintaining steady growth as inflation returns to target levels. The journey has been eventful, beginning with supply-chain disruptions following the pandemic, a war in Ukraine initiated by Russia that triggered a global energy & food crisis; and a significant surge in inflation, followed by globally synchronized monetary policy tightening.

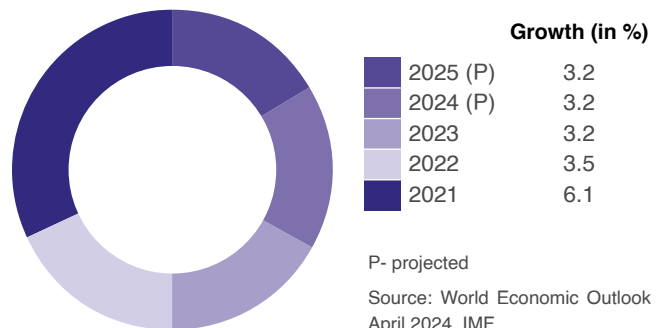
Tensions in the Red Sea have caused a 50% increase in global freight rates for oil product tankers. One of the most affected routes is from the Middle East to Europe, where prices surged by 200% between mid-November 2023 and mid-March 2024.

On a year-over-year basis, global growth bottomed out at the end of 2022 at 2.3%, shortly after median headline inflation peaked at 9.4%. Growth for 2024 and 2025 is

expected to remain steady around 3.2%, with median headline inflation decreasing from 2.8% at the end of 2024 to 2.4% at the end of 2025. Most indicators point to a soft landing.

- 2.1 In emerging markets and developing economies, growth is projected to remain stable at 4.2% in both 2024 and 2025. This stability results from a moderation in emerging and developing Asia, balanced primarily by increasing growth in the Middle East, Central Asia, and sub-Saharan Africa. Low-income developing countries are expected to see a gradual rise in growth, from 4.0% in 2023 to 4.7% in 2024 and 5.2% in 2025, as some constraints on near-term growth begin to ease.
- 2.2 Growth in emerging and developing Asia, particularly in India and China, is expected to decline from an estimated 5.6% in 2023 to 5.2% in 2024 and 4.9% in 2025. India’s growth is projected to remain strong, at 6.8% in 2024 and 6.5% in 2025, driven by robust domestic demand and an increasing working-age population. In contrast, China’s growth is expected to slow from 5.2% in 2023 to 4.6% in 2024 and 4.1% in 2025, as the temporary benefits from post-pandemic consumption boosts and fiscal stimulus wane and the property sector’s weaknesses persist.
- 2.3 Global headline inflation is projected to decline from an average annual rate of 6.8 percent in 2023 to 5.9 percent in 2024, and further to 4.5 percent in 2025. In 2024, core inflation is anticipated to decrease by 1.2 percentage points, following a modest reduction of just 0.2 percentage points in 2023. This faster decline in core inflation is notably more pronounced in advanced economies, mirroring the trend observed in headline inflation.

Growth in the Global GDP



¹World Economic Outlook April 2024, IMF

3.0 Indian economic overview:

- 3.1 India is one of the fastest growing economies in the world. In FY 2024 the economy grew by 7.6%² and was backed by the timely intervention of the Reserve Bank of India (RBI) and the Government of India (GoI). The Indian Government made consistent efforts to improve the business environment of the country by making it an investor-friendly nation and attracting foreign direct investment (FDI). In FY 2024, the total FDI attracted by India was USD 70.95 Bn³.
- 3.2 In FY 2024, the rate of inflation declined by 5.4%⁴. This decline, along with increased disposable income, contributed to increased private consumption of individuals. It further in strengthening the economic activities in the country. In FY 2024, many economic sectors had a strong performance. Among them, the manufacturing sector grew by 8.5%⁵ due to sufficient demand. This has contributed to the manufacturing sector's emergence as a main growth driver of the Indian economy.
- 3.3 The growth outlook for the Indian economy remains positive. The rate of inflation is expected to fall to 4.5% in FY 2025 and this is projected to increase the economic activity such as production and manufacturing.
- 3.4 The manufacturing industry also reflects strong growth potential and it is expected to reach a market size of USD 1 trillion by FY 2026. The Government of India, in the interim budget 2024-25 initiated employment opportunities for skilled youth in the manufacturing industry for the development of the manufacturing sector in India. Moreover, policies such as 'Make in India' by the Indian Government will further strengthen the domestic manufacturing sector.

4.0 Industry Overview

4.1 Steel industry⁶

The Indian housing, manufacturing and infrastructure sectors have been witnessing significant growth. This is also impacting the growth of the steel industry positively. India was the second-largest producer of crude steel in FY 2024.

The domestic steel industry displayed a strong performance in FY 2024, achieving the highest level of production and consumption. The consumption of finished steel was 112

MT, while the total production of crude and finished steel amounted to 118 MT and 112 MT, respectively. This reflects a substantial growth on a yearly basis.

In FY 2024, while steel exports remained significantly strong at 8.5 lakh tonnes, the import of finished steel declined to 7.7 lakh tonnes. This reflects the strength of the industry and additionally, this contributed to making India the net exporter of steel.

The R&D in the Indian steel industry received support from the Ministry of Steel through financial contributions, aiding innovation in the iron and steel sector. The Ministry of Steel implemented the Steel Quality Control Order (QCO) to ensure the provision of quality steel that meets BIS standards for end-user purposes.

4.2 High-performance alloys⁷

High-performance alloys, Hastelloy alloy, Inconel alloy, Haynes alloy and Monel alloy, comprise materials such as aluminium and nickel. These alloys are found in several industries including automotive, electronics, oil & gas and aerospace. Additionally, High-performance alloy also evolved as a key raw material for production in the aerospace industry. The alloy provided several benefits including strong resistance against oxidation and corrosion in high temperatures. This was considered a critical factor for its strong preference in the aerospace industry. It is also used in the medical industry for its strong biocompatibility and corrosion resistance.

The industry reached a market size of USD 9.75 billion in CY 2023. The demand for high-performance alloys was significant in America and this demand was driven by industries including Defence, energy and automotive. Additionally, the demand for the industry was also driven by technological advancement and increased investment in Research and Development in regions such as the United States and Canada. Also, developing countries such as India and China contributed to the growth of the high-performance alloys in CY2023. The aerospace, Defence and automotive sectors in India contributed to the industry's growth, whereas in China, the demand for both production and consumption of High-performance alloys increased owing to its robust manufacturing sector.

²<https://pib.gov.in/PressReleasePage.aspx?PRID=2001124>

³<https://www.investindia.gov.in/foreign-direct-investment#:~:text=Total%20FDI%20inflows%20in%20the%20country%20in%20the%20FY%202023,into%20India%20FY%202023%2D24>

⁴<https://www.cmie.com/kommon/bin/sr.php?kall=warticle&dt=20240208113526&msec=190>

⁵[https://pib.gov.in/PressReleasePage.aspx?PRID=2010223#:~:text=FY%202022%2D23,-Double%2Ddigit%20growth%20rate%20of%20Construction%20sector%20\(10.7%25\)%2C,growth%20in%20FY%202023%2D24.](https://pib.gov.in/PressReleasePage.aspx?PRID=2010223#:~:text=FY%202022%2D23,-Double%2Ddigit%20growth%20rate%20of%20Construction%20sector%20(10.7%25)%2C,growth%20in%20FY%202023%2D24.)

⁶[Monthly summary on Iron and Steel, Ministry of Steel, Government of India, January 2024.](https://www.mospi.gov.in/PressReleasePage.aspx?PRID=20240124#:~:text=Monthly%20summary%20on%20Iron%20and%20Steel,Ministry%20of%20Steel,Government%20of%20India,January%202024.)

⁷<https://www.researchandmarkets.com/report/superalloy>

Moreover, it is also expected to grow at a CAGR of 5.1% from 2024 to 2030 and reach a market size of USD 13.84 billion in 2030. This growth is expected to be driven by factors such as technological advancement, increasing preference for oil and gas extraction process and increasing government spending. Additionally, increasing requirements in Defence and aerospace industries are expected to drive the growth of the High-performance alloy industry.

4.3 Defence manufacturing

The global Defence industry is expected to grow at a CAGR of 4.0% from 2026-2031 to attain a market size of USD 838.03 Bn in 2031. Various factors will contribute towards this growth including technological advancements and Government's policies to address national security⁸. Similarly, the Government of India has also made efforts to strengthen the Defence sector. These contributions include ensuring transparency and predictability, framing supportive government policies, de-licensing, de-regulating and promoting exports. FY 2024, experienced the highest level of Defence export at INR 21,083 Cr.

Indian Defence industrial base is one of the largest in the world and it comprises a strong Research and Development (R&D) facility, which employs a competent team of scientists and engineers. The Indian Defence manufactures advanced Defence mechanisms and arms including protective gear, military vehicles, anti-drone systems and other hi-tech military products. In the Union Budget 2023-24, the allocation towards modernising and infrastructural development of the Defence service was INR 1,62,600 Cr, reflecting a growth of 13% compared to the previous year.

Moreover, by 2025, the Ministry of Defence is poised to receive a turnover of INR 1.75 lakh Cr in the aerospace and Defence manufacturing sector. Additionally, the Ministry of Defence aims to achieve an export worth INR 35,000 Cr. The Government of India also aims to attract investment of INR 20,000 Cr by FY 2025 through its Defence Industrial Corridors (DICs) for the development of the Defence industry.

4.4 Indian Aerospace Industry

The Indian Aerospace and Defence sector, is a rapidly evolving industry in India. It is an integral part of the long-term strategic goals and targets of the country. The Indian Defence and commercial aircraft market in India is huge. Previously it was valued at USD 27.1 Bn and it is expected to grow at a CAGR of 6.99% to attain a market size of USD 54.4 Bn by 2033⁹.

The Northern region of India is expected to contribute significantly to the growth of the Indian aerospace and Defence sector. Additionally, the support of the Indian Government with policies, including Make in India, Defence Testing infrastructure schemes is expected to accelerate the production and sales of aerospace and Defence equipment in India.

4.5 Energy sector

The energy and power sector plays a critical role in the economic development of the country. Improved energy efficiency also helps in promoting sustainable development in the economy. Further, the Government of India through its Green Energy Corridor, aimed to strengthen the power transmission network in the country.

The installed capacity of power generation in FY 2024 was 4,26,132 MW¹⁰. Additionally, the electricity demand increased was 10 M and this growth was mainly contributed by southern states including Andhra Pradesh, Tamil Nadu, Karnataka and Telangana.

4.6 Superalloys

Superalloys are high-performance alloys exhibiting mechanical strength, resistance to high temperatures and corrosion and oxidation. Superalloys are used in the aerospace industry to leverage their high mechanical strength to build jet engines.

Additionally, superalloys are used in the Defence industry for gas turbine engines in tanks and ships. They are used in the oil and gas industry for their high pressure and corrosion resistance capability. Superalloys are also used in the power generation industry for heat exchangers, steam turbines and gas turbines in the energy industry. The global superalloy industry was valued at USD 5.59 Bn in 2023 and it is projected to reach a market size of 10.09 Bn by 2032.

⁸<https://www.researchandmarkets.com/reports/5720994/defense-global-market-opportunities-and>

⁹<https://www.custommarketinsights.com/press-releases/indian-aerospace-and-defence-market/>

¹⁰[https://pib.gov.in/PressReleaselframePage.aspx?PRID=1992405#:~:text=The%20present%20installed%20capacity%20of,MW%20of%20Renewable%20Capacity%20\(Incl.](https://pib.gov.in/PressReleaselframePage.aspx?PRID=1992405#:~:text=The%20present%20installed%20capacity%20of,MW%20of%20Renewable%20Capacity%20(Incl.)

4.7 Titanium

Providing excellent strength-to-weight ratio, Titanium is corrosion-resistant. This feature of Titanium make it a preferred choice in various industries. Some of them are aerospace, medical and petrochemical industries. Among these, Titanium is significantly used in the chemical industry and it is followed by the aerospace industry. The aerospace industry is the second largest user of Titanium for building fuselages, frames and other structural parts of aircraft.

The global Titanium market witnessed an upward trend and it attained a market size of USD27.91 Bn in 2023. This growth was majorly driven by increasing demand for advanced aircraft in the aerospace sector.

Moreover, the industry is further expected to grow at a CAGR of 6.2% from 2024 to 2030 to reach a market size of USD 42.52 Bn by 2030¹¹. India has the capacity to produce 698,000 tons of Titanium annually¹².

4.8 Speciality alloys

Speciality alloys are a combination of two or more metals. Various types of specialty alloy in the market include, Nickel alloy, Cobalt alloy and Titanium alloy. It showcases unique properties and provides strength and resistance against heat and corrosion.

Speciality alloys are also used in a variety of industries including Aerospace, Defence, electronics, automotive and healthcare. The global speciality alloy market is expected to grow at a CAGR of 6.4% from 2024 to 2030 to reach a market size of USD 572 million by 2030¹³.

This growth is expected to be driven by factors such as industrialisation in various developing countries, China and India, the growing aerospace industry in the Asia-Pacific region and growing requirements for speciality alloys in aircraft engines.

5.0 Major strategies and initiatives implemented

Our Strategies	Our Plans	Key initiatives
Growth and Modernization	1. Capital Expenditure (CAPEX).	Fund allocation towards capital expenditures is aimed at expanding and modernizing our production facilities. This includes commissioning new facilities that are expected to be completed soon, which will increase production capacity and efficiency.
	2. Export Expansion	Your company has significantly expanded its international footprint, particularly in the aerospace sector, with a threefold increase in exports. This growth includes making inroads into the European, Middle Eastern, and U.S. markets.
	3. Product Portfolio Diversification	Your company has seen substantial growth in its super alloys segment, which has contributed significantly to revenue. The focus on diversifying its product portfolio, including titanium alloys and specialty steels, is a key part of its growth strategy.
Increased Focus on Research and Development	1. Product Innovation	MIDHANI has been involved in the development of new materials for strategic sectors such as Aerospace, Defence, Healthcare, and Oil & Gas. The company is making significant advancements in Super Alloys and Titanium Alloys, which are crucial for high-performance applications.

Our Strategies	Our Plans	Key initiatives
	2. R&D Investments	MIDHANI's focus on R&D is evident in its product innovation and development initiatives. The company is actively working on new products that cater to the evolving needs of strategic industries.
Strengthening Human Capital	1. Talent Development	Your company focuses on strengthening its human capital through continuous skill development and training programs.
	2. Organizational Growth	As MIDHANI expands its operations and enters new markets, it will be essential to build a workforce that can meet the demands of these new challenges. This may involve hiring new talent, upskilling existing employees, and fostering a culture of innovation and efficiency.

6.0 SWOT Analysis:



Strengths:

- The Company has a skilled team of engineers who help enhance and retain its competitive edge.
- The Company's diverse range of products caters to various advanced industries such as aerospace, defence and engineering.
- The Company has a skilled R&D team that plays a critical role in developing and innovating products, thereby, strengthening the Company's market position.



Weakness:

- MIDHANI is dependent on imports for its supply of raw materials. This can put the Company at risk if there are any disruptions in the global landscape.
- The Company is also focused on Defence and Space sectors. This can restrict its broader market reach, undermining its operational efficiency and competitiveness.



Opportunities:

- The Government of India's emphasises on developing the manufacturing sector through policy drafting creates an opportunity for the Company to grow.
- MIDHANI enhances its productivity and growth by using advanced technology.
- The Company contributes significantly towards the improvement of its R&D facilities and infrastructure.



Threats:

- Alterations in the regulatory policies can hamper business strategy and disrupt operations for the Company.
- The use of outdated technology can threaten the productive efficiency and competitiveness of MIDHANI.

¹¹<https://www.maximizemarketresearch.com/market-report/titanium-market/126890/>

¹²<https://blog.exportsconnect.com/top-titanium-suppliers-india/>

¹³<https://www.qyresearch.com/reports/3111048/specialty-alloys>

7.0 Review of our operations:

- 7.1 MIDHANI is among the leading manufacturers of special steels and superalloys. Additionally, the Company is the only manufacturer of Titanium alloy in India.
- 7.2 During the year your Company's sales turnover increased by almost 23% year-on-year. This growth represents the highest year-on-year increase in the Company's history.
- 7.3 During the year your Company has spent around ₹7,889 Lakh on CAPEX, commissioning of new facilities and expanding capacity. These investments are expected to drive future growth and enhance future production capabilities.
- 7.4 During the year your Company saw multi fold growth in volume with Titanium alloys also contributing significantly to revenue. The year also saw increased exports highlighting MIDHANI's expanding international presence.

8.0 Our Manufacturing Locations:

- 8.1 **Hyderabad:** Hyderabad Plant is equipped with highly integrated and flexible manufacturing facilities to produce a wide variety of special metals and alloys in various mill forms such as forged bars/ flats, Rings; near net shapes and closed die forgings, hot rolled bars/ sheets, cold rolled sheets, strips and foils; wires, castings, tubes and fasteners.
- 8.2 **Rohtak Plant:** The Company has an armour manufacturing unit in Rohtak. The unit manufactures bullet Proof Vests, vehicle armouring, Helicopter armouring and 'MIDHANI Kavach' which is a lightweight bullet-resistant jacket.

9.0 Manufacturing facilities:

- 9.1 MIDHANI's manufacturing facilities comprise both primary and secondary melting furnaces. These include electric arc with ladle refining furnaces, vacuum Induction melting Furnaces, Vacuum Arc Re-melting furnaces, Electro Slag Re-Melting furnaces and Electron Beam Melting furnaces.

Based on the output, size and forms, further processes are performed at 6000T/1500T Forge Presses, Ring Rolling Mill etc. MIDHANI's production processes include conditioning, heat treatment, machining, pickling and quality control.

10.0 Our Products:

- Special Alloys (Ferritic, Austenitic, Martensitic, Maraging, Armour Steel).
- Super Alloys (Iron/Cobalt/Nickel Based).
- Titanium Alloys in the form of melted, forged, rolled and drawn product.
- Special Steels and Titanium Alloy grades constitute a major portion of production tonnage.

11.0 Key Raw Materials:

11.1 Titanium

The Company produces Titanium alloys. Popularly used in the Aerospace and Defence sector, these are known for their impressive strength-to-weight ratio as well as high heat and corrosion resistance.

11.2 Nickel

The Company uses Titanium as raw material for the production of alloys, including Inconel and Monel. These products are then used in gas turbines, chemical processing plants and nuclear reactors.

11.3 Cobalt

MIDHANI uses Cobalt for the production of alloys such as Stellite. The Stellite is then used for manufacturing aerospace components, cutting tools and valves.

11.4 Tungsten

Tungsten is a raw material used by the Company for the production of alloys such as high-speed steels.

11.5 Zirconium

Zirconium is a useful component for making nuclear reactor components such as structural and cladding material, due to its highly corrosion resistant and low neutron absorbent quality.

11.6 Aluminium

Aluminium is a vital raw material for producing a range of alloys which are used for Aerospace and Defence applications.

11.7 Copper

Copper is used by the Company as a raw material for the production of a variety of alloys, brass and bronze. These products are further used in musical instruments, marine applications and electrical components.

12.0 Research & Development:

- 12.1 The Research and Development (R&D) Department of MIDHANI expands beyond innovation and includes marketing, cost management, creation and upgradation of new products.

12.2 MIDHANI's in-house R&D department has helped the Company reduce its interdependence on imports. During FY 2023-24, the Company made an investment of ₹ 1,836.16 Lakh towards its R&D department. The department also collaborated with premium institutes and universities which further helped the Company develop cutting-edge products.

12.3 During FY 2023-24, the Company introduced a new range of products using its strong R&D expertise. Moreover, by investing in R&D, the Company aims to serve its customer base by fulfilling their demand.

13.0 FINANCIAL PERFORMANCE

13.1 The summarized financial position for the Financial Year 2023-24 and for the two preceding Financial Years is given below:

(Figures in ₹ Lakh)

Particulars	31-Mar-24	31-Mar-23	31-Mar-22
ASSETS:			
Non-current assets			
Property, Plant and Equipment	1,02,777.80	1,01,087.21	93,748.33
Capital work-in-progress	8,305.75	7,964.40	13,186.56
Intangible assets	373.16	463.00	100.42
Financial Assets			
(i) Investments	2,210.11	2,210.11	2,210.11
(ii) Loans		-	1.59
Non-current tax assets (Net)	-	52.88	555.93
Other non-current assets	195.19	228.77	434.03
Total Non-Current Assets (1)	1,13,862.01	1,12,006.37	1,10,236.97
Current assets:			
Inventories	1,30,971.81	1,22,484.37	1,09,149.16
Financial Assets			
(i) Trade receivables	32,300.17	31,579.89	30,630.83
(ii) Cash and cash equivalents	1,661.37	1,441.54	6,258.15
(iii) Other financial assets	1,712.32	922.40	1,171.02
Other current assets	10,063.03	17,925.95	20,620.0
Total Current Assets (2)	1,76,708.70	1,74,354.15	1,67,829.17
Total Assets (1+2)	2,90,570.71	2,86,360.52	2,78,066.14
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	18,734.00	18,734.00	18,734.00
Other Equity	1,13,210.30	1,09,885.42	1,00,337.94
Total Equity (1)	1,31,944.30	1,28,619.42	1,19,071.94
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	5,914.13	6,735.67	2,775.88
(ia) Lease Liabilities	8,099.94	8,132.68	7,975.07
(ii) Other Financial Liabilities	109.83	94.53	84.54
Provisions	207.71	184.60	162.81
Deferred tax liabilities (net)	4,467.78	3,957.46	3,517.17
Other non-current liabilities	62,312.67	58,545.29	64,264.72
Total Non-current liabilities (2)	81,112.06	77,650.23	78,780.19

(Figures in ₹ Lakh)

Particulars	31-Mar-24	31-Mar-23	31-Mar-22
Current Liabilities			
Financial liabilities			
(i) Borrowings	26,500.00	31,999.63	23,981.88
(ii) Lease Liabilities	2,750.43	1,997.12	1,247.08
(iii) Trade payables			
(A) Micro Enterprises and Small Enterprises	768.39	429.96	379.03
(B) Other than Micro Enterprises and Small Enterprises	11,228.91	14,147.74	17,209.13
(iii) Other financial liabilities	13,079.33	12,191.95	10,947.17
Other current liabilities	20,233.92	16,290.18	23,187.18
Provisions	2,953.37	3,034.29	3,262.54
Total Current Liabilities (3)	77,514.35	80,090.87	80,214.01
Total Equity and Liabilities (1+2+3)	2,90,570.71	2,86,360.52	2,78,066.14
Working Capital	99,194.35	94,263.28	87,615.16
Capital Employed	1,37,858.43	1,35,355.09	1,21,847.82
Net Worth	1,31,944.30	1,28,619.42	1,19,071.94
Net worth per rupee of paid-up capital (₹)	7.04	6.87	6.36

14.0 MIDHANI's FY 2023-24 MoU PERFORMANCE AND WORKING RESULTS:

14.1 For the FY 2023-24, MIDHANI's MoU performance is expected to qualify for an overall "Good" rating. The rating is subject to evaluation and confirmation by Department of Public Enterprises.

14.2 The performance of your company against various MoU Parameters was as under:

S. No.	Name of the Parameter	Unit	Target	Actual
1	Value of Production	₹ In Cr	1,500	1,147.64
2	CAPEX	₹ In Cr	80	78.89
3	Export/Income From overseas	₹ In Cr	200	66.24
4	Reduction in total imports as % of Revenue from operations over the previous year	%	31.60	0.51
5	EBITDA as % of revenue	%	33.00	20.37
6	Return on Net worth	%	18.57	7.05
7	Asset Turnover Ratio	%	40.31	37.95
8	Acceptance/ Rejection of goods & Services through the TReDS portal	%	100	100
9	Procurement from GeM as % of total procurement	%	100	72.82
10	Trade Receivables as the number of days of Revenue from Operations	No. of Days	90	110
11	Expenditure on R&D Innovations initiatives as % of PBT	%	7.24	13.97

The Total Return to Shareholders (TRS) during FY 2023-24 stood at 115.23%.

$$\text{Total Return to Shareholder} = \frac{(\text{Market cap. at end of FY} - \text{Market cap. at end of Previous FY}) + \text{Dividend Paid} + \text{Dividend/ Interest/ Redemption of Bonus Pref. Shares or Debenture, etc.}}{\text{Market cap. at the end of Previous FY}} \times 100$$

14.3 Your Company has complied with DPE guidelines issued from time to time on CSR expenditure by CPSE's for the FY 2023-24.

14.4 The procurement of goods and services through MSE's was 51% of total domestic procurement of goods or services procured by Company during FY 2023-24.

14.5 The procurement of goods and services as % of total domestic procurement of goods and services through SC/ST MSE's and Women MSE's was 1.87% and 4.98% respectively.

14.6 Your Company has complied with provisions related to TReDS as outlined in DPE OM No. DPE-7(4)/2007-FIn dated 04-05-2020..

15 Significant highlights of the performance for FY 2023-24 and its comparison with the previous two years:

(Figures in ₹ Lakh)

S. No.	Particulars	FY 2023-24	FY 2022-23	FY 2021-22
1	Sales - To Customers	1,07,267.45	87,194.14	85,949.02
2	Sales – Export (Direct)	6,201.20	2,064.70	2,293.66
3	Value of Production	1,14,764.49	1,10,026.63	1,01,358.59
4	Cash Profit	18,951.15	26,955.37	27,211.51
5	Profit Before Tax (Excl. OCI)	13,095.95	21,654.92	23,911.98
6	Net Profit (PAT) (Excl. OCI)	9,126.32	15,587.61	17,630.77
7	Value Added	62,417.24	70,908.96	66,868.27
8	Value added per employee	81.06	94.42	86.84
9	Productivity per employee	149.04	146.51	131.63
10	Value added per direct worker	161.70	184.18	180.24
11	Paid up equity share capital	18,734.00	18,734.00	18,734.00
12	No. of Employees (Excluding Directors)	770	751	770

16 Some of the important financial ratios indicating financial health and working of the Company at the end of last three financial years are as under:

S. No	Particulars	FY 2023-24	FY 2022-23	FY 2021-22
A.	Current Ratio	2.28	2.18	2.09
B.	Profitability Ratios			
a)	Profit Before Tax to			
	i) Capital Employed (%)	9.50	16.00	19.62
	ii) Net worth (%)	9.93	16.84	20.08
	iii) Sales (%)	12.21	24.84	27.82
b)	Profit After Tax to Equity (%)	48.72	83.20	94.11
c)	Earnings Per Share (in Rupees)	4.87	8.32	9.41

17 The other Key Financial Ratios are as under:

S. No.	Particulars	FY 2023-24	FY 2022-23	Change in % as compared to FY 2023	Detailed explanation for change of 25% or more
1	Debtors Turnover	3.36	2.80	20.00%	-
2	Inventory Turnover	0.75	0.57	31.58%	Increase in Raw Material Cost
3	Interest Coverage	6.48	11.48	-43.55%	Reduction in Profit Before Tax
4	Current Ratio	2.28	2.18	4.59%	-
5	Debt Equity Ratio	0.25	0.30	-16.67%	-
6	Operating Profit Margin (%)	9.42	20.50	-54.05%	Reduction in Profit Before Tax
7	Net Profit Margin (%)	8.51	17.88	-52.40%	Reduction in Profit After Tax
8	Return on Net worth	7.01	12.59	-44.32%	Reduction in Profit After Tax

18 Amount available for appropriation:

In FY 2023-24, the amount available for appropriation was ₹ 9,126.32 Lakh which decreased from ₹ 15,587.61 Lakh in FY 2023.

19 Risks and Risk Analysis:

Risk type	Risk description	Risk probability and impact	Risk mitigation
Market risk	Majority of the Company's customer base is comprised of customers under control of Government i.e. Defence, Space and PSUs. Any changes in the government priorities can impact the current or the projected strategy of the Company.	M High concentration of sales from Govt. of India, make it prone to risk associated with change in policies, priorities of Govt. of India. Any policy shift which directly or indirectly impacts the Defence and Space sector will impact the revenue and strategies of the Company.	MIDHANI considers diversifying its product portfolio, entering new markets. As part, of diversification of revenue portfolio, MIDHANI achieved highest ever direct export during financial year ended on March 31, 2024. MIDHANI continues to add new customers (domestic) also.
Inventory	High level of inventory mainly due to increase in Work-In-Progress (WIP) and scrap.	H High level of inventory mainly due to increase in Work-In-Progress (WIP) and scrap which impacts the bottom line performance of the Company and management of WIP also becomes critical.	MIDHANI witnessed year on year decrease in WIP, however due to increase in scrap generation, the inventory was on higher level. MIDHANI has made necessary changes in procedures and policies to manage the scrap i.e. re-use or sale.
Finance Cost	Unfavourable financial conditions related to liquidity, interest rates, foreign exchange can pose risks to bottom line performance of Company.	M Increased borrowings and increase in interest rates led to increase in net finance cost which impacted the bottom line performance of Company. To mitigate the risk, MIDHANI re-paid short term loan during FY 2023-24 which reflect year-on-year decrease of 18.33%.	The Company maintains a healthy balance sheet and also diversifies its funds as a mitigation strategy for the financial risk of the organisation.
Raw material risk	The Company relies on imports for procuring critical raw materials. Fluctuations in the global economy and trade policies of countries can harm the source of procurement of raw materials.	M Strained supply chain coupled with fluctuations in prices of raw materials and macro level factors of countries can adversely impact the availability of raw material.	MIDHANI has taken several measures such as identifying alternate source of raw materials provider including up-gradation of technologies to utilise materials from domestic sources. MIDHANI also closely monitors critical raw material stock availability.

(L: Low, M: Medium, H: High)

20.0 HUMAN RESOURCE DEVELOPMENT:

- 20.1 MIDHANI has a highly efficient team, helping the Company achieve its goals. As on March 31, 2024, the Company had 770 number of permanent employees, 61 of them were newly hired.
- 20.2 The Company offers training programmes that provide continuous learning and development opportunities to its employees. During FY 2023-24, the Company had spent a total amount of ₹24.18 lakh, organising a 3456 person days training programme for its employees.

21.0 INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

- 21.1 MIDHANI has implemented internal controls that are appropriate for its size and operations. Management conducts internal audits and reviews them to improve

the internal control system. The inhouse internal audit function, assisted by skilled external audit firms, conducts comprehensive risk-focused audits and regularly evaluates the efficacy of the internal control structure and functions.

- 21.2 The Company has implemented internal financial controls as outlined in the Companies Act of 2013. These have been established at all levels to ensure compliance with internal control standards, regulatory compliance and accurate financial and operational information recording.
- 21.3 Sagar & Associates, an external audit firm, conducted an internal audit during the reporting year to establish adequate systems and controls. The Audit Committee reviewed these reports. The In-house Internal Audit team conducts frequent audits of processes. Internal audit reports and corrective action are discussed with management and reviewed by the Audit Committee. The Audit Committee evaluates the efficacy of internal controls.

DIVIDEND DISTRIBUTION POLICY

1. PREAMBLE

- 1.1. The shares of MIDHANI are listed on BSE Limited and National Stock Exchange of India Limited. As per Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") the top five hundred listed entities based on market capitalization (calculated as on March 31st of every year) need to formulate a dividend distribution policy which shall be disclosed in the company's Annual Report and on its website.
- 1.2. This policy lays down the general parameters for considering and deciding the distribution of dividend to the Company's shareholders and/or retaining of earnings for sustained growth.

2. POLICY FRAME WORK

- 2.1. MIDHANI being a Central Public Sector Enterprise (CPSE) follows the guidelines on Capital Restructuring issued by Department of Investment and Public Asset Management (DIPAM) vide F. No. 5/2/2016- Policy dated 27th May, 2016.
- 2.2. The Policy will be implemented by the Company keeping in view the provisions of the SEBI LODR Regulations, the Companies Act 2013 (Act) and also taking into consideration guidelines issued by Securities and Exchange Board of India (SEBI), Department of Public Enterprises (DPE), (DIPAM), Ministry of Defence and other guidelines to the extent applicable to the Company.

3. NON-APPLICABILITY

The policy shall not apply to:

- a) Distribution of dividend in kind i.e. by issue of fully or partly paid bonus shares or other securities, subject to applicable law;
- b) Distribution of cash as an alternative to payment of dividend through Buyback of equity shares.

4. PARAMETERS CONSIDERED WHILE DECLARING DIVIDEND

- 4.1. In pursuance of Section 123 of the Act, no dividend shall be declared or paid by the Company for any financial year

except out of the profits of the Company for that year or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation.

- 4.2. Interim dividend will be based on profits of the current year as per unaudited results after providing for depreciation in accordance with law and management estimates of profits for financial year.
- 4.3. The quantum of dividend declared by the Company would depend upon following external and internal factors :-
 - a) The external factors that shall impact the decision to pay dividend will inter-alia include economic environment, market conditions expectation of shareholders, statutory requirements and Government directives as may be applicable from time to time.
 - b) The internal factors that shall be considered for dividend will be profitability of the Company, its net worth, its requirement for funds for its Capital Expenditure towards renewals & replacement/ up-gradation / R&D and expansion (CAPEX), and any other factors as may be identified by the Board that impact the decision to declare dividend.
- 4.4. The Company may endeavor to pay minimum annual dividend as per guidelines issued by DIPAM, subject to maximum dividend permitted under the extant legal provisions.

5. UTILISATION OF RETAINED EARNINGS

MIDHANI is acutely conscious of the need to plough back adequate profits for its smooth operations and capital investment in order to maintain and improve its market position in the face of emerging new technologies requiring investments to stay abreast of current technologies, competition arising from domestic and foreign industries. The Company has necessarily to invest in upgrading & renewals and replacement of its existing facility and R&D projects. Further, with the growth in revenue, the incremental working capital requirements also will have to be met increasingly from cash and reserves of the Company.

6. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The shareholders of the Company may or may not expect dividend depending upon the circumstances including, but not limited, to the following:-

- a) In the event of inadequacy of profits or whenever the Company has incurred losses;
- b) Whenever the Company undertakes or proposes to undertake significant capital expenditure that impact the retained earnings of the Company substantially;
- c) Whenever the Company proposes to utilise the surplus cash for buyback of securities; and
- d) Any other circumstance/instance which the Board of Directors may consider relevant to the dividend declaration decisions.

7. PARAMETERS TO BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

- 7.1. The Company has issued only one class of shares i.e. equity shares with equal voting rights. Hence, all the members of the Company are entitled to receive the same amount of dividend per share.

8. INTERPRETATION & AMENDMENTS

- 8.1 Any term which is used in policy and not defined shall have the same meaning as defined under the Companies Act, 2013, SEBI LODR Regulations and any other applicable statutory regulations/guidelines.
- 8.2 The Board of Directors may review, amend and modify the Policy at any point of time as it may deem necessary and /or as may be required from time to time in accordance with subsequent amendments in Act, Companies Rules, Circulars, Notifications, SEBI LODR Regulations, relevant guidelines of DPE, DIPAM, Ministry of Defence as also other guidelines to the extent applicable to the Company from time to time.

ANNEXURE- II

MANPOWER POSITION AS ON 31.03.2024

PAY SCALE & GROUP	Total no. of employees	SCs	STs	OBC	Differently abled	Ex-Ser. men
EXECUTIVES						
Group – A Rs 40000-140000 & above	271	48	16	75	06	03
Group – B Rs 30000 - 120000(Grade-I) Rs 29000 – 115000 (E.O.) to Rs 50000 – 160000(E0-III) (Jr. Mgr & Non-Unionized Supervisory Cadre)	26	0	04	15	0	01
NON-EXECUTIVES:						
Group – C Rs 28950/- Rs 28790/- Rs 27810/- Rs 26830/- Rs 25900/- Rs 25230/- Rs 23750/- Rs 22950/- Rs 21900/-	359	69	37	152	05	15
Group – D Rs 21000/- Rs 20000/- Rs 19130/- Rs 18000/-	114	20	07	57	04	01

Note: Excluding Directors

RECRUITMENT OF SCs, STs DURING FY 2023-24

Pay Scales & Group	Total recruited during the year	No. of posts reserved		No. of candidates appointed	
		SC	ST	SC	ST
EXECUTIVES					
Group – A Rs 40000-140000 & above	48	5	4	1*	4
Group – B Rs 30000 - 120000(Grade-I) Rs 29000 – 115000 (E.O.) to Rs 50000 – 160000(E0-III) (Non-Unionized Supervisory Cadre)	0	0	0	0	0
NON-EXECUTIVES:					
Group – C Rs 28950/- Rs 28790/- Rs 27810/- Rs 26830/- Rs 25900/- Rs 25230/- Rs 23750/- Rs 22950/- Rs 21900/-	2	0	0	0	0
Group – D Rs 21000/- Rs 20000/- Rs 19130/- Rs 18000/-	11	1	0	2*	0

*SC candidate appointed against unreserved category.

Annexure-III

Annual Report on CSR Activities for FY 2023-24

1. Brief outline on CSR Policy of the Company:
- The CSR policy of MIDHANI aims at developing company specific social responsibility strategies for long, medium and short term period with built in mechanism for implementation and monitoring towards all-round development of people residing in and around the Company's area of operation.
 - To be a Responsible Corporate Citizen committed to Socio-Economic development through social innovation and to build a better sustainable way of life for the weaker sections of the society through suitable projects and programs.
 - A brief overview of projects/programs undertaken at MIDHANI under its CSR policy is as under:
 - (i) Promotion of Health Care and Sanitation
 - (ii) Promotion of Education
 - (iii) Skill Development
 - (iv) Others

2. Composition of CSR Committee: The composition of the CSR Committee as on March 31, 2024 was as under:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Dr. Sanjay Kumar Jha	Chairman & Managing Director	2	2
2.	Shri N. Gowri Sankara Rao	Director (Finance)	2	2
3.	Shri Valluri Chakrapani	Independent Director	2	2
4.	Shri Thulasiraman Muthukumar	Director (Production & Marketing)	2	2

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. The CSR policy and the activities undertaken under the CSR policy of MIDHANI can also be viewed at <http://www.midhani-india.in> under CSR tab.
4. Provide the executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not applicable
5. a) Average net profit of the company as per sub-section(5) of Section 135: ₹ 22,733.80 Lakh
- b) Two percent of average net profit of the company as per sub-section(5) of Section 135: ₹ 454.68 Lakh
- c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
- d) Amount required to be set-off for the financial year, if any. NIL
- e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 454.68 Lakh

6. a)	Amount spent on CSR projects (both ongoing projects & other than ongoing project)	₹ 437.57 Lakh
b)	Amount spent in Administrative Overheads	₹ 17.45 Lakh
c)	Amount spent on Impact Assessment, if applicable	Nil
d)	Total amount spent for the financial year [(a)+(b)+(c)]	₹ 455.02 Lakh

e) CSR amount spent or unspent for the financial year

Total amount spent for the financial year (in ₹)	Amount unspent (in ₹)				
	Total amount transferred to Unspent CSR Account as per Sub- Section (6) of Section 135		Amount transferred to any Fund specified under Schedule VII as per second proviso to Sub-section (5) of Section 135		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
455.02 Lakh	NIL	NA	NA	NA	NA

f) Excess amount for set off, if any:

Sl. No	Particulars	Amount (in ₹)
i	Two percent of average net profit of the company as per sub-section (5) of Section 135	454.68 Lakh
ii	Total amount spent for the Financial Year	455.02 Lakh
iii	Excess amount spent for the Financial Year [(ii)-(i)]	0.34 Lakh
iv	Surplus arising out of the CSR projects or programs or activities of the previous Financial Years, if any	NIL
v	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	0.34 Lakh

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

Sl. No.	Preceding Financial Year(s).	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Balance Amount in Unspent CSR account under sub-section (6) of Section 135 (in ₹)	Amount spent in the financial year 2023-24 (in ₹)	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub- Section (5) of Section 135, if any.		Amount remaining to be spent in succeeding financial years. (in ₹)	Deficiency, if any
					Amount (in ₹).	Date of transfer.		
1.	2022-23	22,00,000	NIL	22,00,000	Not Applicable	Not Applicable	Not Applicable	Not Applicable
2.	2021-22	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
3.	2020-21	41,11,000	NIL	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

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

9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per sub-section (5) of section 135.

Not Applicable

Sd/-

Dr. Sanjay Kumar Jha

DIN: 07533036

(Chairman - CSR Committee)

Sd/-

Shri Gowri Sankara Rao Naramsetti

DIN: 08925899

(Member - CSR Committee)

Date : May 17, 2024

Place : Hyderabad

Report on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The details in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

A. CONSERVATION OF ENERGY

i. Steps taken or impact on conservation of energy:

- The measures introduced to save energy during the year under report are as follows:
 - To enhance energy efficiency, MIDHANI implemented Dynamic Reactive Power Compensation panels with a hybrid solution, improving the plant power factor from 0.92 to 0.96, resulting in annual savings of approximately ₹ 180 Lakh.
 - Installation of a 4MW ground-mounted solar power plant and a 60KWp rooftop solar plant generated 31,27,548 kWh of energy, reducing carbon footprints by 2,502 tons per annum.
 - Company also achieved 100% conversion to LED lighting and replaced 100 conventional fans with BLDC fans, with 200 more in the procurement process. Furthermore, the procurement of 60 five-star ACs to replace older three-star units has been initiated.

ii. Steps taken by the company for utilizing alternate source of energy:

Company has utilized the solar energy generated by solar power plants during the year under report. For FY 2023-24 Solar power plants have generated solar energy valued at ₹ 195 Lakh (Approx.).

iii. Capital investment on energy conservation equipment's:

Capital expenditure in technologies to improve the environmental social impact of processes during FY 2023-24 was ₹ 145 Lakh (Approx.).

B. TECHNOLOGY ABSORPTION:

i. The efforts made towards technology absorption:

- MIDHANI is working towards the indigenization of weld consumables in collaboration with our strategic partners and the manufacture and qualification of a trial batch, followed by a production batch of these weld consumables, are expected to be completed within two years.

ii. The benefits derived like product improvement, cost reduction, product development or import substitution:

- Development of new products has helped in savings of valuable foreign exchange as import substitution.

iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

- MIDHANI has imported technology for development and manufacturing of weld consumable.

iv. The expenditure incurred on Research and Development:

- An amount of ₹1,836.16 Lakh has been incurred towards R&D Expenditure.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- During the year, the total foreign exchange earning was ₹ 6,624 Lakh and outgo was ₹ 25,381 Lakh.

Annexure- V

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

Sl. No.	Particulars	Information
1.	Corporate Identity Number (CIN) of the Listed Entity	L14292TG1973GOI001660
2.	Name of the Listed Entity	Mishra Dhatu Nigam Limited
3.	Year of incorporation	1973
4.	Registered office address	P.O. Kanchanbagh Hyderabad - 500058
5.	Corporate address	P.O. Kanchanbagh Hyderabad - 500058
6.	E-mail	company.secretary@midhani-india.in
7.	Telephone	040 – 2418 4515
8.	Website	https://midhani-india.in/
9.	Financial year for which reporting is being done	FY 2023-24
10.	Name of the Stock Exchange(s) where shares are listed	1. BSE Limited; and 2. National Stock Exchange of India Limited
11.	Paid-up Capital (in ₹)	187,34,00,000/-
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Dr. Sanjay Kumar Jha Chairman & Managing Director 040 2418 4501 cmd@midhani-india.in P.O. Kanchanbagh Hyderabad – 500058
13.	Reporting boundary- Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone basis
14.	Name of assurance provider	Not Applicable
15.	Type of assurance obtained	Not Applicable

II. Products/services –

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing	Manufacturing of Special Metals and Alloys	100

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code (5 Digit)	% of total Turnover contributed
1.	Manufacturing of Special Metals and Alloys	24103	40
		24105	32
		24108	15
		24204	10
		24319	3

III. Operations -

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	2 (Hyderabad and Rohtak)	3 (Hyderabad, Delhi and Rohtak)	5
International	None	None	0

19. Markets served by the entity: -

- a. Number of locations

Locations	Number
National (No. of States)	14
International (No. of Countries)	10

- b. What is the contribution of exports as a percentage of the total turnover of the entity?

6.2%

- c. A brief on types of customers :

Our Company operates in strategic sectors such as defence, power and space and is engaged in manufacturing special steels, Superalloys, and Titanium alloys. Most of our Customers belong to strategic sectors i.e. PSUs, Defence and Space Sector.

IV. Employees -

20. Details as at the end of Financial Year:

- a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	297	256	86.20	41	13.80
2.	Other than Permanent (E)	2	2	100	0	0
3.	Total employees (D + E)	299	258	86.29	41	13.71
WORKERS						
4.	Permanent (F)	473	431	91.12	42	8.88
5.	Other than Permanent (G)	106	104	98.11	2	1.89
6.	Total workers (F + G)	579	535	92.40	44	7.60

Notes:

- 'Permanent Employees' means Executive and Non-Unionized Supervisors (NUS).
- 'Workers' means Non-Executives.
- Other than permanent means Fixed Term Contract Employees/Workers.

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	6	6	100	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D + E)	6	6	100	0	0
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	9	9	100	0	0
5.	Other than permanent (G)	0	0	0	0	0
6.	Total differently abled workers (F + G)	9	9	100	0	0

21. Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	1	16.67
Key Management Personnel (KMP)	1	0	0

Whole time Directors & CFO are included in Board of Directors.

KMP includes – Company Secretary & Compliance Officer.

22. Turnover rate for permanent employees and workers:

	FY 2023-24 (in%)			FY 2022-23 (in%)			FY 2021-22 (in%)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	9.68	0	8.44	10.77	3.17	9.92	8.44	3.38	7.93
Permanent Workers	3.02	2.33	2.95	4.80	6.81	4.98	3.93	6.45	4.18

23. Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures as on 31 st March, 2024 (A)	Indicate whether holding/ Subsidiary Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Utkarsha Aluminium Dhatu Nigam Limited	Joint Venture	50	No

VI. CSR Details –

24. i) Whether CSR is applicable as per Section 135 of Companies Act, 2013: Yes
- ii) Turnover (in ₹) : 1,072,67,44,944.38
- iii) Net worth (in ₹) : 1,318,89,81,256.93

VII. Transparency and Disclosures Compliances

iv) Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) # (If Yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	7 Centralized Public Grievance Redress and Monitoring System (CPGRMS)	0	None	11 Centralized Public Grievance Redress and Monitoring System (CPGRMS)	0	None
Investors (other than shareholders)	Yes	0	0	None	0	0	None
Shareholders	Yes	1	0	None	3	0	None
Employees and workers	Yes, MIDHANI has internal mechanism for receiving employees & workers grievance and its redressal	0	0	None	8	0	None
Customers	Yes	15	5	None	11	6	None
Value Chain Partners	Yes, Contact details for grievance redressal are available at website of Company and the Company also has vigil mechanism in place.	0	0	None	0	0	None

*MIDHANI's conduct with all its stakeholders including grievance mechanism are available on the company's website. The link to the policies: <https://midhani-india.in/policies/>

v) Overview of the entity's material responsible business conduct issues:

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No.	Material issue identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Non-Compliance with Board composition norms specified by Regulatory Authorities	R	MIDHANI, being a Govt. Company, under Administrative Control of Ministry of Defence. The authority w.r.t. appointment of Directors vest with Govt. of India. Such vacancies of Directors on Board leads to non-compliance with Statutory Provisions, Guidelines pertaining to Corporate Governance and penalties are imposed by Stock Exchanges for such non-compliances.	Regular follow up with Administrative Ministry w.r.t. filling up of vacant post of Directors.	Negative

S. No.	Material issue identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2.	Employee Well-being and Development	O	A high-quality, motivated workforce is essential for MIDHANI to realize mission of achieving self-reliance in the research, development and supply of critical alloys and products of National security and strategic importance. MIDHANI's workforce is instrumental for achieving value creation and excel Corporate Citizenship. MIDHANI is equally committed to providing a safe working environment that empowers employees to excel to the best of their abilities. The company fosters a culture of care and collaboration, grounded in trust and mutual respect, ensuring a respectful workplace for everyone. MIDHANI offers comprehensive social security benefits to employees and their families.	Not Applicable	Positive
3.	Community Support and Corporate Social Responsibility	O	Deep Social engagement leads to community building and its impact can galvanize a system response and has multiple beneficial outcomes for communities and businesses. MIDHANI's Corporate Social Responsibility (CSR) initiatives are focused on Promotion of Health Care and Sanitation, Promotion of Education, Skill Development and are designed in such manner to make a positive impact on quality of life. MIDHANI endeavours to plan its CSR programme in such a manner that it yield out maximum intended benefit to the community.	Not Applicable	Positive
4.	Climate change opportunities	O	MIDHANI can adopt efficient energy solutions and further develop alternative source of energy to meet its energy requirements, which would be cost efficient and environment friendly. As part of energy efficient solutions, MIDHANI implemented, Dynamic Reactive Power Compensation Panels which improved plant power factor and saved approx. ₹ 180 Lakh during the year. MIDHANI's ground mounted solar power plant and 60KWp rooftop solar power plant generated 31,27,548 kWh of energy, reducing carbon footprint by 2,500 Ton.	Not Applicable	Positive.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements. The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

P1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

P2: Businesses should provide goods and services in a manner that is sustainable and safe.

P3: Businesses should respect and promote the well-being of all employees, including those in their value chains.

P4: Businesses should respect the interests of and be responsive to all its stakeholders.

P5: Businesses should respect and promote human rights.

P6: Businesses should respect and make efforts to protect and restore the environment.

P7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

P8: Businesses should promote inclusive growth and equitable development.

P9: Businesses should engage with and provide value to their consumers in a responsible manner.

Disclosure Questions	P 1 Ethics & Transparency	P 2 Service responsibility	P 3 Human Resources	P 4 Responsive to Stakeholders	P 5 Human Rights	P 6 Restore environment	P 7 Public Policy Advocacy	P 8 Inclusive growth	P 9 Customer Engagement
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)*	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)*	Y	Y	Y	Y	Y	Y	Y*	Y	Y
c. Web Link of the Policies, if available	https://midhani-india.in/policies/								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y*	Y	Y*
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.#	ISO 14001:2015 and ISO 45001:2018	ISO 45001:2018	ISO 45001:2018 and DPE Guidelines on Human Resource Management	Indian Labour Laws and ISO 9001:2015	DPE Guidelines on Human Resource Management	ISO 14001:2015 and ISO 45001:2018	-	Public Procurement Policy - MSME	Quality Policy & ISO 9001: 2015
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	None	None	None	None	None	None	None	None	None

Disclosure Questions	P 1 Ethics & Transparency	P 2 Service responsibility	P 3 Human Resources	P 4 Responsive to Stakeholders	P 5 Human Rights	P 6 Restore environment	P 7 Public Policy Advocacy	P 8 Inclusive growth	P 9 Customer Engagement
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

While no formal written policy may exist for certain principles, the Company has robust procedures / practices as well as standard operating procedures in place and are regularly being reviewed for adherence by Chairman & Managing Director.

*MIDHANI has ISO/IEC 17025:2017 certification issued by National Accreditation Board for Testing and Calibrations Laboratories in the field of testing and DGAQA approvals. MIDHANI also follows DPE Guidelines on Corporate Governance.

Governance, leadership and oversight:

- 7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

In the rapidly changing realm of sustainability, businesses are observing emerging trends that turn sustainable philosophy into practical actions, influencing both companies and their stakeholders. The post-pandemic world has sparked a global shift towards greater sustainability. MIDHANI, a distinguished manufacturer of alloys and special metals with over fifty years of experience, has consistently demonstrated its commitment to sustainability by carefully managing resources. Given its focus on strategic and critical national needs rather than mass commercial production, MIDHANI maintains a minimal environmental footprint. Beyond environmental stewardship, MIDHANI has always recognized its social responsibility, even before it became a mandate under the Companies Act of 2013. The company’s Corporate Social Responsibility (CSR) projects revolve around education, health, and wellness, with a sincere desire to upskill and educate communities. MIDHANI actively engages its employees in CSR volunteering activities, providing them with a platform to interact with local communities, fostering a sense of purpose and satisfaction. As a Government-owned company, MIDHANI’s operations undergo rigorous scrutiny from esteemed authorities such as the Comptroller and Auditor General of India, the Administrative Ministry i.e. Ministry of Defence, the Central Vigilance Commission etc. This ensures transparency and accountability and integrity, further reinforcing their commitment to good governance. MIDHANI’s aim is to be a harbinger of positive change and impact, building upon their past achievements. With a resolute dedication to sustainability, MIDHANI continues its journey towards making sustainable choice.

- 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies):

Dr. Sanjay Kumar Jha

Chairman & Managing Director
DIN: 07533036

- 9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details:

Yes, the Company’s Corporate Social Responsibility and Sustainable Development Committee is responsible for sustainability related issues.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)
Performance against above policies and follow up action	All the policies of the Company are approved by the Board and being a Govt. Company, mandates of Department of Public Enterprises/ Administrative Ministry are also applicable and followed by Company. Policies w.r.t. NGRBC are reviewed periodically or on a need basis by an Executive Committee.	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company complies with the extant regulations and principles as are applicable.	

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Audits on different subjects such as ISO 14001, ISO 45001, Cyber Security etc. were done. However, no Independent Assessment carried out for evaluation of the working of its Policies.								

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Not Applicable.

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

- Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors:	2	Sustainability & ESG, Corporate Governance, Ethics, Board Leadership, Vigilance Management	50
Key Managerial Personnel:	None	-	-
Employees other than BoD and KMPs:	78	Corporate Governance, Ethics, Leadership, Vigilance Management, Safety, Measures for well-being, Cyber Security, Promotion of green energy.	22
Workers:	10	Safety, Measures for well-being, Up-skilling.	24

Note: Training/awareness programme for Board of Directors were organised by third party/organisation/department which were attended by Directors and MIDHANI achieved 3,456 person days of training during FY 2023-24.

- Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity’s website):

The Company had no monetary and non-monetary fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, during FY 23-24.

Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	None	None	Nil	None	None
Settlement	None	None	Nil	None	None
Compounding Fee	None	None	Nil	None	None

Non- Monetary

Imprisonment	None	None	Nil	None	None
Punishment	None	None	Nil	None	None

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Not Applicable.

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, The Company has 'zero tolerance' of any practice that may be classified as corruption, bribery or giving or receipt of bribes and the same has been mentioned in its Code of Conduct. The Anti Bribery policy is available on the website of the Company viz. <https://midhani-india.in/policies/>.

MIDHANI is a Govt. Company and its Conduct, Discipline and Appeal (CDA) Rules for executives of the Company clearly brought out disciplinary proceedings in case of bribery or corruptions. MIDHANI also has a Chief Vigilance Officer, who is appointed by Central Vigilance Commission (CVC). MIDHANI also enters into Integrity Pact with suppliers in respect to all procurements exceeding ₹ 40 Lakh, and such procurements are monitored by Independent External Monitor (IEM) who are appointed by CVC. The financials of MIDHANI are also subject to supplementary/ test audit by Comptroller and Auditor General of India.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Particulars	FY 23- 24	FY 22- 23
Directors	None	None
KMPs	None	None
Employees	None	1
Workers	1	None

6. Details of complaints with regard to conflict of interest:

No complaints were received in relation to issues of Conflict of Interest of Directors and KMP's during FY 2023-24 and FY 2022- 23.

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

FY 23-24 & 22-23:-

Action by concerned authorities on cases of corruption as per extant applicable laws, rules, procedures was initiated and same is under progress.

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

Particulars	FY 23- 24	FY 22- 23
Number of days of accounts payables	82	161

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 23- 24	FY 22- 23
Concentration of Purchases [#]	a. Purchases from trading houses as % of total purchases	Nil	Nil
	b. Number of trading houses where purchases are made from	Nil	Nil
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	Nil	Nil
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	5.4	2.2
	b. Number of dealers / distributors to whom sales are made	8	3
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	5.4	2.2
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	Nil	Nil
	b. Sales (Sales to related parties / Total Sales) [®]	Nil	Nil
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	Nil	Nil
	d. Investments (Investments in related parties / Total Investments made)	Nil	Nil

[#]Trading house has been defined as a business that specialises in facilitating transactions between a home country and foreign countries, but does not include related parties. There are no purchases from Trading houses in FY2023-24. However, MIDHANI purchase products from Authorised dealer/distributor as a Trading Partner.

[®]Sales (Sales to related parties/Total Sales)", Revenue from operations has been considered as disclosed in Note 40 of Audited Standalone Financial Statements for the year ended March 31, 2024.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
Two (2)	1. Vendor Meet; and 2. MSME development Programme	45 [Domestic Vendors & Suppliers covered under awareness programme]

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, MIDHANI has Code of Business Conduct and Ethics for Board Members and Senior Management, which requires all Directors of the Company and Senior Management to always act in the interest of the Company and ensure that any other business or personal association which they may have does not involve any conflict of interest with the operations of the Company. In case of any actual or potential conflicts of interest, the concerned Director/Senior personnel is required to immediately report such conflicts and seek approvals as required under applicable law and under Company's policies.

The Company receives an annual declaration from its Board of Directors and Senior Management confirming adherence to the Code of Conduct, which inter-alia includes the provisions on dealing with conflict of interest.

**PRINCIPLE
2**

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Particulars	FY 23- 24	FY 22- 23	Details of improvements in environmental and social impacts
R&D	Nil	Nil	-
Capex	Approx. ₹ 145 Lakh (1.84% of total Capex)	Approx. 363 Lakh (4.79%)	<ol style="list-style-type: none"> Provided Automatic Power Factor Controller (APFC) & Dynamic Power Factor Controller (DPFC) to improve the power factor, hence it reduces power consumption, thus helping in conservation of natural resources and environment. Scrapped all old company operated vehicles and replaced with BS-VI emission norms vehicles and Electric vehicles. Usage of pure Hydrogen for annealing and Clean LPG in furnaces results in zero carbon emissions, thus helping in conservation of Environment. Old fans, lights replaced with Energy efficient fans, LED lights in the plant. MIDHANI has disposed used Oil, E- Waste, Hazardous waste such as ETP sludge, used coolant oil, Oil soaked cotton waste through CPCB/ TSPCB authorized agencies, thus helping in conservation of environment. Tree Plantation was done in a big way to increase the greenbelt and planted around 1000 saplings in last year inside the plant, corporate office, Township, etc. Developed & Maintaining water bodies of about 350000 Sq. meters where in the rain water and treated water gets collected. The water body itself developing its own flora and fauna with migratory birds flocking now.

- Does the entity have procedures in place for sustainable sourcing? (Yes/No)
No, although such stipulators are not present in procurement procedures as of now, many of our suppliers are already adopting such standards.
 - If yes, what percentage of inputs were sourced sustainably?
Not Applicable.
- Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste:
The Company does not have any specific product to reclaim at the end of life. However, at the project and operation sites, there are systems in place to recycle, reuse and dispose in line with regulatory requirement for the above waste being generated during course of manufacturing and operation.
- Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.
EPR is not applicable to MIDHANI as Company is engaged in manufacturing of special steel, super alloys etc. and does not manufacture any consumer products or any end product. The Company acts as manufacturer of critical alloys which has its application in end products. There is no specific plastic, electrical and electronic product manufactured where EPR is applicable under E-Waste Management.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

MIDHANI, did not conduct Life Cycle Perspective of its products. However, there are systems and procedure in place to recycle, reuse, dispose materials in line with regulatory requirements and Company’s Policy.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Not applicable.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 23- 24	FY 22- 23
Scrap utilization	20.76	27.08

(in %)

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

No products are re-claimed at end of life, hence not applicable.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Not Applicable.

PRINCIPLE
3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits [§]		Paternity Benefits [§]		Day Care facilities [§]	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	256	All employees are covered under		-	-	19	7.42	-	-	-	-
Female	41	Medical Scheme of MIDHANI where,		4	9.76	-	-	5	12.20	-	-
Total	297	the empaneled hospitals are providing		4	1.35	19	6.40	5	1.68	-	-
		medical facilities as per CGHS rates which									
		are borne by the company upto 95% of the									
		total expenses incurred by the employee									
		for in-patient treatment.									
Other than Permanent employees											
Male	2	All employees are covered under		-	-	-	-	-	-	-	-
Female	0	Medical Scheme of MIDHANI where,		-	-	-	-	-	-	-	-
Total	2	the empaneled hospitals are providing		-	-	-	-	-	-	-	-
		medical facilities as per CGHS rates which									
		are borne by the company upto 95% of the									
		total expenses incurred by the employee									
		for in-patient treatment.									

[§]Maternity, Paternity Benefits and Day Care Facilities are available to all permanent employees, however, other than permanent employees are eligible for Maternity and Day Care facilities. The data represent actual no. of employees availing benefits.

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits [§]		Paternity Benefits [§]		Day Care facilities [§]	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	431	All workers are covered under Medical		-	-	32	7.42	-	-	-	-
Female	42	Scheme of MIDHANI where, the		3	7.14	-	-	9	21.43	-	-
Total	473	empaneled hospitals are providing		3	0.63	32	6.77	9	1.90	-	-
		medical facilities as per CGHS rates which									
		are borne by the company upto 95% of the									
		total expenses incurred by worker for in-									
		patient treatment.									
Other than Permanent workers											
Male	104	All workers are covered under Medical		-	-	-	-	-	-	-	-
Female	2	Scheme of MIDHANI where, the		-	-	-	-	-	-	-	-
Total	106	empaneled hospitals are providing		-	-	-	-	-	-	-	-
		medical facilities as per CGHS rates which									
		are borne by the company upto 95% of the									
		total expenses incurred by worker for in-									
		patient treatment.									

[§]Maternity, Paternity Benefits and Day Care Facilities are available to all permanent workers, however, other than permanent workers are eligible for Maternity and Day Care facilities. The data represent actual no. of workers availing benefits.

- c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

Particulars	FY 23- 24	FY 22- 23
Cost incurred on well-being measures as a % of total revenue of the company	0.53	0.43

For the purpose of calculating amount spent on measures towards well-being of employees and workers, the Company has considered the expense incurred towards employees/workers towards Post-Retirement Medical Expenses, Medical Expenses, Sports Activities, School fees contributions, and other relevant expenses, net of any recoveries made from the employees/workers.

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 23- 24			FY 22- 23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
ESI	0	0	Not applicable	0	0	Not applicable
Post Retirement Medical Benefit Scheme	100	100	Yes	100	100	Yes

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, MIDHANI provides conducive environment for differentially abled persons with infrastructure. Company allows the personal vehicles of differentially abled persons (Orthopaedically disabled) within factory premises to help them reach their work spot.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

MIDHANI being a Central Public Sector Undertaking (Govt. Company), follows DPE Guidelines on Reservation for SC/ST/OBC and Differently abled. The DPE Guidelines/ HR Policies with respect to Reservation to recruitment of Differently abled are available on MIDHANI's Intranet Portal. The details of recruitment of Differently abled employees during FY 2023-24 is available at **Annexure – II** of Annual Report.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate (%)	Retention rate(%)	Return to work rate (%)	Retention rate (%)
Male	100	100	100	100
Female	100	100	100	100
Total (%)	100	100	100	100

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Particulars	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes [#]
Other than Permanent Workers	Yes [#]
Permanent Employees	Yes [#]
Other than Permanent Employees	Yes [#]

[#]Yes. Grievance Redressal process is available to all our employees to raise their concerns or grievances to the management. It ensures that all such issues are addressed promptly, impartially, and justly. Depending on the employees' interest & option, he/she can raise the grievance, either in writing or orally to the concerned people i.e. immediate superior or the Human Resource Head. An employee can also raise their concern in writing through an e-mail

mentioning clearly about the details to the immediate superior and/or to the Human Resource Department. Complaints can also be submitted directly to Chairman & Managing Director on dedicated mobile no. which is available with employees/ workers.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 23- 24			FY 22- 23		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees						
Male	256	205	80.07	241	234	97.10
Female	41	29	70.73	32	27	84.38
Total Permanent Workers						
Male	431	358	83.06	434	315	72.58
Female	42	36	85.71	44	31	70.45

8. Details of training given to employees and workers:

Category	FY 23- 24					FY 22- 23				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Permanent Employees										
Male	256	17	6.64	182	71.09	241	35	14.52	200	82.99
Female	41	20	48.78	22	53.66	32	7	21.88	20	62.50
Total	297	37	12.46	204	68.69	273	42	15.38	220	80.58
Permanent Workers										
Male	431	17	3.94	39	9.05	434	20	4.61	233	53.69
Female	42	28	66.67	16	38.10	44	16	36.36	26	59.09
Total	473	45	9.51	55	11.62	478	36	7.53	259	54.18

9. Details of performance and career development reviews of employees and worker:

Category	FY 23- 24			FY 22- 23		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	244	244	100	267	267	100
Female	34	34	100	33	33	100
Total	278	278	100	300	300	100
Workers[#]						
Male	432	432	100	429	429	100
Female	42	42	100	43	43	100
Total	474	474	100	472	472	100

[#]Worker's Annual Performance and career development reviews are undertaken in calendar year instead of financial year.

10. Health and safety management system:

- a) Whether an occupational health and safety management system has been implemented by the entity? **(Yes/ No)**. If yes, the coverage such system?

Yes, occupational health and safety management system has been implemented. It covers the entire operations covering all manufacturing units, industrial production facilities and offices. MIDHANI's safety policy is in accordance with the International Standards ISO 45001:2018 (Occupational Health and Safety Management System Standard). EHS Management System defines the mandatory requirements for the systematic management and execution within the organisation.

b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company has in place systematic risk management process to identify and control all the hazards at manufacturing units and offices. The Company’s risk management process is applied through five steps (Identification, Assessment, Mitigation, Monitoring and Reporting).

c) Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes.

d) Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, The Company provides access to non-occupational medical and healthcare services, such as OP examination at CGHS rates at empanelled hospitals and in-patient treatment at empanelled hospitals wherein Company borne upto 95% of treatment cost as per CGHS rates, at its respective locations.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY 23- 24	FY 22- 23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	2.3	0.86
Total recordable work-related injuries	Employees	0	0
	Workers	1	3
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

*Including in the contract workforce.

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

MIDHANI is ISO 14001:2015 (Environment Management System) and ISO 45001:2018 (Occupational Health and Safety Management System) certified Company. There is a systematic risk management process in place to identify and control all the hazards in projects/units which requires verification of conformity. The EHS management system has various procedures and EHS norms. Therefore, a process has been established for carrying out Internal EHS audits. National Safety Week was observed in the month of March 2024 and various awareness programs were held to sensitize employees on safety. MIDHANI has formulated on site emergency plans, in line with MSIHC Rules 1989.

13. Number of Complaints on the following made by employees and workers:

Particulars	FY 23- 24			FY 22- 23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	None	None	None	None	None	None
Health & Safety	None	None	None	None	None	None

14. Assessments for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	100

MIDHANI has robust Internal audit process in line with ISO 45001:2018 requirement and it covers all construction projects, offices and manufacturing units. At least one internal audit is conducted in a financial year across manufacturing units/offices.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Standard Safety, Health Inspection Committee (SHSIC) was constituted with GM (P-II & IV) as Chairman and executives from different departments, i.e Electrical, Mechanical, Civil & Maintenance, House Keeping etc. to conduct safety inspection in the plant. The Committee has inspected entire plant and submitted the report. Total 191 observations were submitted to departments/ shop and 98% of those observations were complied/resolved by the concerned in-charges.

Shop/Area wise Designated Safety Officers (DSOs) & Safety Captains (DSCs) were identified and then groups were formed to conduct quarterly shop floor safety inspections. Total of 596 observations were submitted during FY 2023-24 and 98% of those observation were complied.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N) :

Yes, MIDHANI has Death Relief Fund and Group Insurance under EDLI Scheme for Employees and Workers. As per the Scheme, in case of death of an employee/worker while in service, an ex-gratia amount is given to their nominee.

As per MIDHANI's Employee' Family Benefit Scheme 2021, monetary benefit is provided to an employee's and worker's family in case of death of an employee/worker while in service.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Statutory deduction towards Employees Provident Fund are monitored by MIDHANI PF Trust to ensure deduction and remittances to the concerned Authority.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Particulars	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 23- 24	FY 22- 23	FY 23- 24	FY 22- 23
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No) :

MIDHANI provides employment opportunity to retired experienced Technical/Non-Technical experts to work as consultant.

5. Details on assessment of value chain partners:

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Nil
Working Conditions	Nil

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not applicable as no assessment of value chain partners was undertaken on Health and Safety practices and working conditions.

PRINCIPLE

4

Businesses should respect the interests of and be responsive to all its stakeholders**Essential Indicators**

- Describe the processes for identifying key stakeholder groups of the entity.

MIDHANI being a strategic Defence Public Sector Undertaking, engaged in manufacturing of special steel, super alloys etc., hence, in line with the business model, MIDHANI has identified the following key stakeholders group: -

Stakeholder group	Basis of Identification
Suppliers/Contractors	MIDHANI has significant dependency on supply chain partners for raw materials. MIDHANI also need substantial skilled casual workers manpower. To maintain sustainable growth, these partners are key elements in meeting the delivery and cost objectives for various contracts.
Government	Orders from Government (Defence, Energy and Space) and PSU's make up 81% of orders booked during FY 23-24, hence are the largest clients for the business.
Employees and Workforce	MIDHANI manufactures high end alloys and critical alloys, and such super alloys must meet stringent quality which can be only achieved through highly skilled manpower.
Regulatory bodies	MIDHANI is regulated by various regulatory bodies and to achieve sustainable growth it is important to understand priorities of these agencies and address their concerns, if any, to maintain compliance levels and establish benchmark performance levels.
Shareholders and Investors	Shareholders and investors make an important contribution to the growth of the company. Shareholders play an important role through exercise of their voting rights.
Communities through its CSR	MIDHANI always catalyse socio-economic development of communities around its premises. MIDHANI primarily focus on under-privileged and marginalized sections to enable them to bring them on-par with others.

- List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Government	No	Monthly D.O. Letter Quarterly Results, Annual Reports, Stock Exchange filings, issue specific meetings, representations.	As and when required	Reporting requirement, statutory compliance, support from authority and resolution of issues.
Customers (majorly Govt. & Public Sector)	No	Formal business interaction.	As and when required	Challenges that are faced during order execution. Project delivery, timeline.
Suppliers/ contractors	No	Regular supplier and dealer meets i.e. Vendor Meet.	As and when required	Need and expectation, schedule, supply chain issue, etc.
Employees and Workforce	No	MIDHANI has intranet portal for dissemination of information related to Circulars, OM's etc. - Company encourages its employees to showcase their talent in Games/ Cultural programs on various occasions like 'MIDHANI's Foundation Day', Independence Day, Republic Day, Hindi Diwas, Women's Day, etc.	As and when required	Employees' growth and benefits, their expectation, volunteering, career growth, professional development and continuing education and skill training etc.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
		- Company reaches out to its employees & their families through in-house magazines which are published to cover important events of the Company on quarterly basis. - Apart from regular training programs on technical/ non- technical topics program related to work life balance, meditation are also conducted.	As and when required	Employees' growth and benefits, their expectation, volunteering, career growth, professional development and continuing education and skill training etc
Community	Yes (Some of the Company's CSR Project Beneficiaries)	Direct engagement and through the Company's CSR project implementation partners (Implementing agencies i.e. NGOs)	As and when required	Regular review is done for effective service. Beneficiaries are encouraged to provide feedback/ lodge grievance w.r.t CSR activities

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company interacts with various stakeholders through sub-committees of the Board viz. CSR Committee, Risk Management Committee, and Corporate Management Committees.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

The Company on regular basis engages with its stakeholders to boost relationships enabling the Company to make informed decisions. CSR projects undertaken in area of Education, Health Care, Nutrition, etc. are based on the Government Guidelines and inputs received from relevant stakeholders. Recommendations received from sub-committees of the Board are being implemented by way of policies and activities of the Company.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The Company has established MIDHANI's Primary Health Care Center to provide basic health care facilities to economically vulnerable stakeholders.

PRINCIPLE

5

Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 23- 24			FY 22- 23		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	297	48	16.16	273	102	37.36
Other than permanent	2	0	0	2	0	-
Total Employees	299	48	16.05	275	102	37.09
Workers						
Permanent	473	20	4.23	478	8	1.67
Other than permanent	106	0	0	91	0	0
Total Workers	579	20	3.45	569	8	1.41

2. Details of minimum wages paid to employees and workers, in the following format:

Category	Total (A)	FY 23- 24				FY 22- 23				
		Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Permanent Employees										
Male	256	-	-	256	100	241	-	-	241	100
Female	41	-	-	41	100	32	-	-	32	100
Other than Permanent										
Male	2	-	-	2	100	2	-	-	2	100
Female	0	-	-	0	100	0	-	-	0	0
Permanent Workers										
Male	431	-	-	431	100	434	-	-	434	100
Female	42	-	-	42	100	44	-	-	44	100
Other than Permanent										
Male	104	-	-	104	100	89	-	-	89	100
Female	2	-	-	2	100	2	-	-	2	100

3. Details of remuneration/salary/wages

a Median remuneration / wages:

Particulars	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (in Rupees)	Number	Median remuneration/ salary/ wages of respective category
Board of Directors	3	40,45,423	0	0
Key Managerial Personnel	1	11,24,354	0	0
Employees other than BoD and KMPs	227	11,93,277	33	11,58,307
Workers	499	4,38,275	45	4,66,855

- a) CFO is a Director, hence, included in Board of Directors.
 - b) Remuneration means Basic Pay and Dearness Allowance (DA).
 - c) Salary Amount given above is the Median salary in the respective category.
 - d) Employees and Workers includes Fixed Term Contract Employees/Workers.
- b) Gross wages paid to females as % of total wages paid by the entity, in the following format:

Particulars	FY 23- 24	FY 22- 23
Gross wages paid to females as % of total wages	10	10

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

The Company operations do not lead to any Human Rights issue and hence does not have a single focal point for addressing the human rights issues. However, the Company has procedures and means wherein employees can reach out to HR Dept./ respective dept. heads to address such issues.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

All grievances are addressed as and when received by the respective Dept. heads, in coordination with HR. All the grievances received are duly investigated and appropriate actions are taken to resolve the issue/complaint. Whenever required, disciplinary actions are initiated as deemed fit.

6. Number of Complaints on the following made by employees and workers:

Particulars	FY 23- 24			FY 22- 23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	None	0	0	None
Discrimination at workplace	0	0	None	0	0	None
Child Labour	MIDHANI doesn't employ child labour.					
Forced Labour/Involuntary Labour	0	0	None	0	0	None
Wages	0	0	None	0	0	None
Other human rights related issues	0	0	None	0	0	None

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Particulars	FY 23- 24	FY 22- 23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees / workers	Not Applicable	Not Applicable
Complaints on POSH upheld	Not Applicable	Not Applicable

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has a Whistle Blower Policy wherein the employees/ vendors or any stakeholders of Company can report, without fear on any wrong practices, unethical behaviour or non-compliance which may have a detrimental effect on the organisation, including financial damage and impact on brand image. Also, MIDHANI's CDA Rules and Standing Orders requires employees to behave responsibly in their action and conduct. Apart from that, the Company has Committees for the protection of women at workplace to ensure their rights, receive grievances, conduct investigation and to take actions.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

No such clause incorporated by MIDHANI in its agreements and contract, however MIDHANI is committed to safeguard Human Rights and provide safe work-space to its employees and workers.

10. Assessments for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	Not Applicable
Forced/involuntary labour	Not Applicable
Sexual harassment	Not Applicable
Discrimination at workplace	Not Applicable
Wages	100

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

None.

Leadership Indicators

- Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.
MIDHANI did not receive any human rights grievances/complaints that have necessitated to introduce or modify our business processes.
- Details of the scope and coverage of any Human rights due-diligence conducted.
Not conducted.
- Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?
Yes, in line with requirements of Rights of Persons with Disabilities Act, 2016, the physical access and signage and navigation, restrooms and emergency procedures are made assessable to differently abled persons.
- Details on assessment of value chain partners:
No such assessment of value chain partners undertaken.
- Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.
Not Applicable.

PRINCIPLE
6

Businesses should respect and make efforts to protect and restore the environment
Essential Indicators

1. Details of total energy consumption (Mega Joules) and energy intensity, in the following format:

Parameter	FY 23- 24	FY 22- 23
From renewable sources		
Total electricity consumption (A)	1,06,83,094	1,16,89,790
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	1,06,83,094	1,16,89,790
From non-renewable sources		
Total electricity consumption (D)	20,09,58,027	22,33,61,770
Total fuel consumption (E)	26,25,82,958	28,35,64,324
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	46,35,40,985	50,69,26,094
Total energy consumed (A+B+C+D+E+F)	47,42,24,079	51,86,15,884
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	0.04 (MJ/₹)	0.06 (MJ/₹)
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	-	-
Energy intensity in terms of physical output	-	-
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - **No**

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

The Company does not have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 23- 24	FY 22- 23
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	2,42,850	2,02,350
(iii) Third party water	1,41,825	1,07,551
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	3,84,675	3,09,901
Total volume of water consumption (in kilolitres)	3,84,675	3,09,901
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	Measured in terms of per Lakh rupees of turnover 3.58 KL/Lakh	Measured in terms of per Lakh rupees of turnover 3.55 KL/Lakh
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	--	--
Water intensity in terms of physical output	--	--
Water intensity (optional) – the relevant metric may be selected by the entity	--	--

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No**

4. Provide the following details related to water discharged:

Parameter	FY 23- 24	FY 22- 23
Water discharge by destination and level of treatment (in kilolitres)		
(i) Surface water		
- No treatment	--	--
- With treatment – please specify level of treatment	--	--
(ii) Groundwater		
- No treatment	1,09,500	91,250
- With treatment – please specify level of treatment	54,750	51,100
(iii) Seawater / desalinated water		
- No treatment	--	--
- With treatment – please specify level of treatment	--	--
(iv) Sent to third-parties	--	--
- No treatment	--	--
- With treatment – please specify level of treatment	--	--
(v) Others		
- No treatment	--	--
- With treatment – please specify level of treatment	--	--
Total water discharged (in kilolitres)	1,64,250	1,42,350

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - **No**

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.
No, Company has not implemented mechanism for zero liquid discharge.
6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Unit	FY 23- 24	FY 22- 23
NOx	µg/m ³	28.56	27.76
SOx	µg/m ³	24.06	22.31
Particulate matter (PM)	µg/m ³	87.10	89.33
Persistent organic pollutants (POP)	NA	-	-
Volatile organic compounds (VOC)	NA	-	-
Hazardous air pollutants (HAP)	NA	-	-
Others – please specify	NA	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No**

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Parameter	Unit	FY 23- 24	FY 22- 23
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	1,91,908.30	1,83,983.90
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	47,187.20	51,962.00
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	-	Measured in terms of per Lakh rupees of turnover 2.22 MT/Lakh	Measured in terms of per Lakh rupees of turnover 2.70 MT/Lakh

Parameter	Unit	FY 23- 24	FY 22- 23
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	-	-	-
Total Scope 1 and Scope 2 emission intensity in terms of physical output	-	-	-
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No**

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

MIDHANI has taken several measures to improve energy efficiency and usage of clean Hydrogen and clean LPG was undertaken. Further, 4MW ground-mounted solar power plant and a 60KWp rooftop solar plant generated 31,27,548 kWh of energy, reducing carbon footprints by 2,502 tons per annum.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 23- 24	FY 22- 23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	Nil	4
E-waste (B)	Nil	2
Bio-medical waste (C)	0.06	0.07
Construction and demolition waste (D)	3,452	1,190
Battery waste (E)	1	1.1
Radioactive waste (F)	Nil	Nil
Other Hazardous waste. Please specify, if any. (G)		
a) Pickling waste	0.60	0.40
b) Oil-soaked cotton waste	0.06	0.03
c) Used coolant oil	0.20	0.10
Other Non-hazardous waste generated (H) . Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) -Used Oil	1	58.90
Total (A+B + C + D + E + F + G + H)	3,454.92	1,256.60
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	Measured in terms of per Lakh rupees of turnover 0.03 MT/Lakh	Measured in terms of per Lakh rupees of turnover 0.01MT/Lakh
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	-	-
Waste intensity in terms of physical output	-	-
Waste intensity (optional) – the relevant metric may be selected by the entity For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes) [#]	-	-
Construction and Demolition Waste		
(i) Incineration	-	-
(ii) Landfilling	2,589	832
(iii) Other disposal operations	863	277
Total	3,452	1,109

[#]All the Hazardous wastes like Pickling Sludge, Oil-Soaked Cotton waste & Used Coolant Oil being sent to authorised (Hazardous waste Management facility) for safe disposal as per the Telangana State Pollution Control Board (TSPCB) norms. E-Waste, Plastic Waste, Used Batteries, Used Oil selling to authorized recyclers/agencies through auctioning. Bio Medical Waste is also disposing every month through the authorized disposable agency.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. – **No.**

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

MIDHANI is certified under ISO 14001:2015 and the scope covers its entire operations including offices and manufacturing units. Under the environmental management system, the Company has guidelines for comprehensive waste management.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details:

Not applicable, MIDHANI does not have any operations/offices in/around ecologically sensitive areas.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

MIDHANI has not conducted any environmental impact assessments (EIA) of projects or industrial facility in FY 2023-24. MIDHANI ensures that all regulatory permits and approvals are in place before starting of any project/ business unit.

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances.

Yes, MIDHANI is compliant with the applicable environmental law/ regulations/ guidelines in India.

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

Not applicable, as MIDHANI does not undertake commercial operations in areas of water stress.

For each facility / plant located in areas of water stress, provide the following information:

- Name of the area: Not applicable
- Nature of operations: Not applicable
- Water withdrawal, consumption and discharge in the following format: Not applicable

Parameter	FY 23- 24	FY 22- 23
Water withdrawal by source (in kilolitres)		
(i) Surface water	--	--
(ii) Groundwater	--	--
(iii) Third party water	--	--
(iv) Seawater / desalinated water	--	--
(v) Others	--	--
Total volume of water withdrawal (in kilolitres)	--	--
Total volume of water consumption (in kilolitres)	--	--

Parameter	FY 23- 24	FY 22- 23
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment	--	--
- With treatment – please specify level of treatment	--	--
(ii) Into Groundwater		
- No treatment	--	--
- With treatment – please specify level of treatment	--	--
(iii) Into Seawater / desalinated water		
- No treatment	--	--
- With treatment – please specify level of treatment	--	--
(iv) Sent to third-parties		
- No treatment	--	--
- With treatment – please specify level of treatment	--	--
(v) Others		
- No treatment	--	--
- With treatment – please specify level of treatment	--	--
Total water discharged (in kilolitres)	--	--

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No.**

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 23- 24	FY 22- 23
Total Scope 3 emissions	Metric tonnes of CO2 equivalent	228.61	212.28
(Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)			
Total Scope 3 emissions per rupee of turnover	-	Measured in terms of per Crore rupees of turnover 0.21 MT/ Crore	Measured in terms of per Crore rupees of turnover 0.24 MT/ Crore
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No.**

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Energy conservation/ efficient measure	Provided Automatic Power Factor Controller (APFC) & Dynamic Power Factor Controller (DPFC) to improve the power factor, hence it reduces power consumption, thus helping in conservation of natural resources and environment.	These initiative enable efficient utilization of power which has positive impact on environment and financials.
2	Application of clean energy	Usage of pure Hydrogen for annealing and Clean LPG in furnaces results in zero carbon emissions, thus helping in conservation of Environment.	These initiative enable has positive impact on environment, and promotes an ecosystem which create awareness about clean energy and its benefits.
3	Conservation of flora and fauna	Tree Plantation drive was carried on to increase the greenbelt and planted around 1000 saplings in last year inside the plant, corporate office, Township, etc. Developed & Maintaining water bodies of about 350000 Sq. meters where in the rain water and treated water gets collected. The water body itself developing its own flora and fauna with migratory birds flocking now.	The green belt and water body maintained in and around Company provides positive and natural environment, which enables the sense of embracing environment amongst employees.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

MIDHANI has On-site Emergency Plan (OSEP) to handle emergency situation at LPG yard and water electrolysis plant (Hydrogen) Plant. Mock drills were conducted to ensure/check the readiness of all emergency services. MIDHANI has in place mutual aid with nearby industries i.e. Bharat Dynamics Limited, DMRL, RCI, DLRL etc. and also with State Govt. fire department to handle emergencies.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Not applicable.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

No value chain partners were assessed for environmental impact and no negative social and environmental impacts were found or brought to notice on its value chain.

**PRINCIPLE
7**

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

Five (5)

- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	Confederation of Indian Industry	National
2.	Society for Defence Technologist	National
3.	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
4.	Indian Institute of Metals	National
5.	Federation of Telangana Chamber of Commerce and Industry (FTCCI)	State

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

No corrective action taken or underway on the issues related to anti-competitive conduct by the entity, hence not applicable.

Leadership Indicators

1. Details of public policy positions advocated by the entity: **None**

PRINCIPLE
8
Businesses should promote inclusive growth and equitable development
Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

No Impact Assessment was undertaken as per extant applicable law, however, Company undertakes in-house impact assessment of its CSR activities by way of on-site visit or reports from implementing agencies.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Not applicable. No rehabilitation and resettlement were undertaken by the entity during reporting period.

3. Describe the mechanisms to receive and redress grievances of the community.

Any community member can raise complaint on Company's number and email address provided at Company's website which is monitored and addressed. Also, any stakeholder of Company can file complaint under Whistle Blower Policy.

For CSR Projects:

In the Community based CSR projects, MIDHANI's representative from CSR team facilitates the interaction between the beneficiary groups, addresses concerns and resolves issues, if any. MIDHANI also interact with implementing agencies on regular basis to get feedback on CSR Projects.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Particulars	(in %)	
	FY 23- 24	FY 22- 23
Directly sourced from MSMEs/ small producers	28.26	25.03
Directly from within India	47.41	55.60

Percentage of total procurement of goods/services by MIDHANI.

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:

Location	FY 23- 24	FY 22- 23
Rural	-	-
Semi-urban	-	-
Urban	-	-
Metropolitan	4.72	2.18

The data pertains to new person hired/employed during respective financial years.

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Not applicable.

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
1.	Telangana	Kumaram Bheem Asifabad	31,12,500

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No):

Yes, MIDHANI has a preferential procurement policy.

(b) From which marginalized /vulnerable groups do you procure?

MIDHANI procures from MSEs owned by SC/ ST entrepreneurs and MSEs owned by women entrepreneurs.

(c) What percentage of total procurement (by value) does it constitute?

Procured 1.87% of total domestic procurement from SC/ ST MSEs and procured 4.98% of total domestic procurement through MSEs owned by women entrepreneurs.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Not applicable.

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved. :

Not applicable.

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Sponsoring free education in BPDVA School, Hyderabad to SC, ST & OBC Children.	31	100
2	Sponsored Nutritional kits to TB patients. Kit consists of Rice, Dal, Groundnuts & Groundnut Oil.	1,500	100
3	Sponsorship for procurement of material and operations of MIDHANI Primary Health Care Centre	13,000 Below Poverty Line (BPL) patients were treated	100
4	Sponsored School bus to Tribal students of Idukki district, Kerala to reach school.	35	100
5	Sponsored for construction of additional class rooms and improving existing physical infrastructure at Sraswathi Sisu Mandir, Kakinada, A.P	150	100
6	Constructed two halls with attached toilets & a Compound wall for conducting free Tuition centres & tailoring centres to empower villagers and to build a brighter future for rural communities of Ghanasari Village, Srikakulam, A.P	100 (approx.)	100

PRINCIPLE
9

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

- Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company does not have any specific consumer products. Customer complaints are received over email, transmittal letter communications and verbal communications directly to project teams. The customers can also lodge complaint through contact number and email address and web forms provided on the Company website.

- Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

Particulars	As a percentage to total turnover
Environmental and social parameters relevant to the product	The main products of the company are Special Metals and Alloys. Hence Not Applicable.
Safe and responsible usage	100
Recycling and/or safe disposal	The main products of the company are Special Metals and Alloys. Once the products are sold, it would not come back to the Company. Hence not applicable

- Number of consumer complaints in respect of the following:

Particulars	FY 23- 24			FY 22- 23		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil	Nil	Nil	Nil	Nil	Nil
Advertising	Nil	Nil	Nil	Nil	Nil	Nil
Cyber-security	Nil	Nil	Nil	Nil	Nil	Nil
Delivery of essential services	15	5	Nil	11	6	Nil
Restrictive Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Unfair Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Other	Nil	Nil	Nil	Nil	Nil	Nil

- Details of instances of product recalls on account of safety issues:

Particulars	Number	Reasons for recall
Voluntary recalls	Nil	Not applicable
Forced recalls	Nil	Not applicable

- Does the entity have a framework/ policy on cyber security and risks related to data privacy? **(Yes/No)** If available, provide a web-link of the policy.

MIDHANI has Board Approved Cyber Security Policy, which is available on the website of the Company at <https://midhani-india.in/policies/>

- Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not applicable.

7. Provide the following information relating to data breaches:
- Number of instances of data breaches: None.
 - Percentage of data breaches involving personally identifiable information of customers: None.
 - Impact, if any, of the data breaches: None.

Leadership Indicators

- Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).
Details of MIDHANI products can be accessed from its website at <http://midhani-india.in/>
- Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.
MIDHANI manufactures industrial products as per customer specifications and demands.
- Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.
All the contracts have a Force Majeure clause wherein MIDHANI informs its customers in writing well in time about the impending disruption of service/delay in delivery etc. due to conditions like flooding, pandemics, supply chain disruptions due to war, obsolescence etc.
- Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)
All the essential details of the product like Product name, grade, date of manufacture/quality control etc. are displayed on the product being delivered to the customers. MIDHANI also conducts annual customer survey with its major customer to assess the customer satisfaction and address their concerns, if any.

For and on behalf of the Board of Directors

Place: Hyderabad
Date : August 9, 2024

Sd/-
Dr. Sanjay Kumar Jha
Chairman & Managing Director
DIN: 07533036

Annexure-VI

Declaration of compliance with ‘Code of Conduct’ of the Company

To,

The Members of Mishra Dhatu Nigam Limited,

I, Dr. Sanjay Kumar Jha, Chairman & Managing Director be hereby declare that:

- a) Mishra Dhatu Nigam Limited, has adopted a ‘Code of Business Conduct and Ethics’ for Board members and senior management as per the Guidelines on Corporate Governance for Public Sector Enterprises, 2010 issued by Department of Public Enterprises, and Regulation 17 of SEBI Listing Regulations;
- b) all the Board members and Senior Management Personnel of the Company have complied with the ‘Code of Business Conduct and Ethics for Board Members and Senior Management’, during the financial year 2023-24; and
- c) this declaration is based on and is in pursuance of the individual affirmations received in writing from the Board members and the Senior Management Personnel of the Company.

For **Mishra Dhatu Nigam Limited**

Sd/-

Dr. Sanjay Kumar Jha

Chairman & Managing Director

DIN: 07533036

Place: Hyderabad

Date: May 17, 2024

Annexure- VII

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Mishra Dhatu Nigam Limited

Reg Off: P. O. Kanchanbagh, Hyderabad-500058, Telangana.

We have examined the relevant records relating to compliance of conditions of Corporate Governance by **Mishra Dhatu Nigam Limited** ("the Company"), for the year ended 31st March 2024, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the year ended 31st March, 2024.

We have also examined all the relevant records of Mishra Dhatu Nigam Limited for the purpose of certifying the compliance of conditions of the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 for the year ended 31st March 2024. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

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

Subject to below-mentioned observation under Listing Regulations, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V to the Listing Regulations during the year ended 31st March 2024 and Company has also complied with Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010, during the year ended on 31st March 2024.

Observations:

- a) **Regulation 17(1)(b):** As on 31st March 2024, the Composition of the Board of Directors comprises of Three (3) Executive Directors and Three (3) Non-Executive Directors (2 Independent Directors and 1 Govt. Nominee), however, the Chairperson being an Executive Director, the criteria of "at least 50% of the Directors as Non-Executive Directors" is not fulfilled.

*It is informed that the Company being a Government Company under the Administrative Control of the Ministry of Defence, the power to appoint Directors (including Independent Directors) and the terms and conditions of such appointments vests with the Government of India (GOI) and the Company is following up the matter regularly with the Administrative Ministry i.e., Ministry of Defence for fill up the gap and to comply with Regulation 17(1)(b) of Listing Regulations.

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

Sd/-

CS Navajyoth Puttaparthi

Partner

FCS No: 9896; C P No: 16041

Peer Review Certificate No. 1158/2021

UDIN: F009896F000482753

Place: Hyderabad
Date: May 29, 2024

Annexure- VIII

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members,

MISHRA DHATU NIGAM LIMITED

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MISHRA DHATU NIGAM LIMITED** (a Mini-Ratna PSU) having **CIN: L14292TG1973GOI001660** and having its registered office at P.O. Kanchanbagh, Hyderabad, Telangana- 500058 (hereinafter called the '**Company**'). Secretarial Audit was conducted in accordance with the guidance note issued by the Institute of Company Secretaries of India and 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 Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information, confirmations, clarifications provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2024**, 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:

We 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 thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and
- External Commercial Borrowings; **(Not applicable to the company during the period under review)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (d) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **(Not applicable to the company during the period under review);**
 - (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021- **(Not applicable to the company during the period under review);**
 - (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;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **(Not applicable to the company during the period under review);**
 - (h) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **(Not applicable to the company during the period under review);**
 - (i) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021- **(Not applicable to the company during the period under review);** and
 - (j) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

- (vi) Corporate Governance Guidelines issued by Department of Public Enterprises (“DPE”) vide their OM. No. 18(8)/2005-GM dated May 14, 2010.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified under Companies Act, 2013.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following:

- *The Company should have at least half of the Board as Independent Directors, if the Chairman is an Executive Director. It has been observed that the Company is having 6 (Six) Directors on its Board as on 31.03.2024 including 3 (Three) Executive, 2 (Two) Independent Directors and 1 (One) Non-Executive Director. The Company is yet to appoint 2 (Two) Independent Directors.*

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. However, the appointment of Independent Directors is not as per the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. In terms of Articles of Association of the Company all appointments to the Board are made by Government of India.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through while the dissenting member's views, if any, are captured and recorded as part of the minutes.

We 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.

We further report that during the period under review:

- the Board accorded approval for participation in a Joint Venture Company (Section 8 Company under Companies Act, 2013) which is to be incorporated under Defence Testing Infrastructure Scheme (DTIS) promulgated by Department of Defence Production, Ministry of Defence. The Joint Venture will be incorporated as a consortium of five (5) companies i.e. Mishra Dhatu Nigam Limited (MIDHANI); Bharat Dynamics Limited; Hindustan Aeronautics Limited; Yantra India Limited; and PTC Industries Limited along with Uttar Pradesh Expressways Industrial Development. MIDHANI will act as lead Member in setting up of Mechanical and Material Testing Facility under DTIS and will hold 20% of shareholding reflecting approx. Rs. 3 Cr. of investment.
- Ministry of Defence has signed a tripartite Memorandum of Understanding (MoU) with BEML Limited, Bharat Electronics Limited (BEL) and Mishra Dhatu Nigam Limited (MIDHANI) for indigenous development of Advanced Fuelling and Control System for Engines for heavy duty applications.
- BSE Limited and National Stock Exchange of India Limited have individually imposed on the Company a fine of Rs. 21,53,500/- including GST for non-compliance with the requirements pertaining to the composition of the Board of Directors as per Regulation 17(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company did not pay fine levied by the stock exchanges.
- Further, Company had replied to the Stock Exchanges on the said matter stating that it is a Central Public Sector Enterprise (CPSE) under the administrative control of Ministry of Defence, Government of India and as per Article 67 of the Articles of Association of the Company, inter alia, the President of India shall appoint all members of the Board of Directors. Company has also submitted fine waiver request to stock exchanges as per Policy for Exemption of Fines Levied as per the provisions of SEBI SOP Circular.

For **D.HANUMANTA RAJU & CO**
COMPANY SECRETARIES

Sd/-

CS DATLA HANUMANTA RAJU
PARTNER

FCS: 4044, CP NO: 1709

UDIN: F004044F000482005

PR NO: 699/2020

Place: Hyderabad

Date: 29.05.2024

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

'Annexure A'

To
The Members,
MISHRA DHATU NIGAM LIMITED,

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. We 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. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management Representation 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, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **D.HANUMANTA RAJU & CO**
COMPANY SECRETARIES

Sd/-

CS DATLA HANUMANTA RAJU
PARTNER

FCS: 4044, CP NO: 1709

UDIN: F004044F000482005

PR NO: 699/2020

Place: Hyderabad

Date: 29.05.2024

Management Reply to Secretarial Audit Report

S. No.	Observations of Secretarial Auditor	Management Reply
1	Non-compliance with the requirements pertaining to the composition of the Board, i.e. half of the Board does not comprise of Independent Directors.	<p>As on March 31, 2024, the Board of MIDHANI comprised of Three (3) Executive Directors; Two (2) Independent Directors; and One (1) Govt. Nominee Director (Non-Executive).</p> <p>There exist, vacancies of Two (2) Independent Directors on the Board of MIDHANI.</p> <p>MIDHANI, being a Defence Public Sector Undertaking under the administrative control of Ministry of Defence (MoD), the authority for appointment of Directors vests with the President of India acting through MoD and MIDHANI has no role in appointment of Directors on the Board.</p> <p>Furthermore, MIDHANI had submitted fine waiver request to both the stock exchanges i.e. BSE Limited and National Stock Exchange of India Limited on account of penalties imposed due to non-compliances under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</p> <p>The waiver requests submitted by MIDHANI are under consideration of stock exchanges and as on date of Secretarial Audit Report, MIDHANI has not paid any penalties to either of the stock exchanges.</p>

For **Mishra Dhatu Nigam Limited**

Sd/-

Dr. Sanjay Kumar Jha

Chairman & Managing Director

DIN: 07533036

Place: Hyderabad
Date: May 29, 2024

Annexure- IX

CEO and CFO Compliance Certificate

We, Dr. Sanjay Kumar Jha, Chairman & Managing Director and Shri. Gowri Sankara Rao Naramsetti, Director (Finance) & Chief Financial Officer certify that:

- a) We have reviewed the Financial Statements for the Period Ended 31st March, 2024 and to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the Period Ended 31st March, 2024 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal financial controls over financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Board and steps have been taken to rectify these deficiencies.
- d) We have indicated to the Auditors and the Board that:
 - i) there has not been any significant change in internal control over financial reporting during the period under reference;
 - ii) the changes in Accounting Policies during the period and its impact on financial statements; and
 - iii) we are not aware of any instance during the period of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal financial control system over financial reporting.

Sd/-

Dr. Sanjay Kumar Jha

Chairman & Managing Director

DIN:07533036

Sd/-

Gowri Sankara Rao Naramsetti

Director (Finance) & CFO

DIN:08925899

Place: Hyderabad

Date: May 29, 2024

Annexure- X

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Mishra Dhatu Nigam Limited
Reg Off: P.O.Kanchanbagh, Hyderabad-500058, Telangana.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Mishra Dhatu Nigam Limited** having **CIN: L14292TG1973GOI001660** and having registered office at P.O. Kanchanbagh, Hyderabad-500058, Telangana, India, (hereinafter referred to as ‘the Company’), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications of the Company Records, (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name of Directors	DIN	Date of Appointment
1	Sanjay Kumar Jha	07533036	05/07/2016
2	Gowri Sankara Rao Naramsetti	08925899	27/10/2020
3	Valluri Chakrapani	00867270	24/12/2021
4	Vallikkat Thanayankizhil Rema	09561611	05/04/2022
5	Thulasiraman Muthukumar	09636771	23/06/2022
6	Shalabh Tyagi	10042888	08/12/2023

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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.

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

Sd/-

CS Navajyothi Puttapparthi

Partner

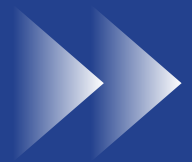
FCS No: 9896; C P No: 16041

Peer Review Certificate No. 1158/2021

UDIN: F009896F000304278

Place: Hyderabad
Date: May 3, 2024

Financial Statements



Independent Auditor’s Report

To
The Members of
Mishra Dhatu Nigam Limited
Hyderabad.

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Mishra Dhatu Nigam Limited (“the Company”), which comprise the Balance Sheet as at 31st March, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the “standalone financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the ‘Act’) in the manner so required and give a true and fair view in conformity with 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 31st March, 2024, and

its profit, total comprehensive income, changes of equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (“SA”)s specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the auditor’s responsibilities for the audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants (“ICAI”) of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s code of ethics. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone 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 standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters that we have identified in the current year are as follows:

Key Audit matter	How the matter was addressed in our audit
<p>i) Revenue Recognition:</p> <p>Refer Accounting Policy Note No.2.3 and Note No. 28 to the standalone financial statements.</p> <p>Revenue Recognition was identified as a key audit matter as the Company as well as its external stakeholders focus on Revenue as a key performance indicator. This could create an incentive for revenue to be overstated or recognized before control has been transferred. The standard on Revenue establishes a comprehensive framework for determining when, how and under what conditions Revenue could be recognized.</p>	<p>Following audit procedures were performed, considering the significance of the matter, amongst others to obtain sufficient audit evidence:</p> <ol style="list-style-type: none"> 1. Evaluated the design of key controls and the operating effectiveness of the relevant key controls with respect to revenue recognition on selected transactions. 2. Examined whether the basis of recognition of revenue is in accordance with the applicable accounting standards.

Key Audit matter	How the matter was addressed in our audit
<p>Accordingly, this involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation, the appropriateness of the basis used to measure revenue recognition.</p>	<ol style="list-style-type: none"> 3. Checked the underlying documentation to verify that the control and ownership has been transferred to the customer on sale. 4. Verified whether the company has instituted adequate cut off procedures in relation to sales. 5. Carried out analytical procedures on revenue recognized during the year to identify unusual variances, if any. <p>Our audit approach did not reveal any non-compliance with the company's declared accounting policies, GAAP and Ind AS.</p>
<p>ii) Inventory:</p> <p>Refer Accounting Policy No.2.8, Note No. 10 and 31 to the standalone financial statements.</p> <p>Inventory was identified as a key audit matter as the Company as well as its external stakeholders focus on Inventory as a key financial and operational indicator. This could create an incentive for inventory to be overstated. Inventory valuation involves certain key managerial judgements including accounting estimates that have been identified as having high estimation uncertainty in measuring inventory valuation.</p>	<p>Following audit procedures were performed, considering the significance of the matter, amongst others to obtain sufficient audit evidence:</p> <ol style="list-style-type: none"> 1. Evaluated the design of key controls and the operating effectiveness of the relevant key controls with respect to Inventory. 2. Review of physical verification of inventory with the company and held by Job workers. 3. For inventory held with Job Workers, wherever physical verification was not conducted, verified confirmations received by management at the year end. 4. Ensured that appropriate adjustments are made to inventory wherever variances were observed in physical verification and in the review of external confirmations. 5. Examined the inventory valuation policies and methods used for its appropriateness and compliance with the applicable accounting standards. 6. Substantive checking of inventory records to ensure compliance with the relevant accounting policies adopted. 7. Examined whether the company has instituted appropriate cut off procedures for recognition of inventory. 8. Performed analytical review procedures in relation to inventory. <p>Our audit approach did not reveal any non-compliance with the company's declared accounting policies, GAAP and Ind AS.</p>
<p>iii) Consumption of Raw Material</p> <p>Refer Note No. 30 to standalone financial statements.</p> <p>Cost of material consumed is identified as a key audit matter as the Company as well as its external stakeholders focus on Inventory as a key operational indicator. Cost of material consumed is a substantial portion of the total production costs, and the same is a significant part of total expense for the Company.</p>	<p>Following audit procedures were performed, considering the significance of the matter, amongst others to obtain sufficient audit evidence:</p> <ol style="list-style-type: none"> 1. Evaluated the design of key controls and the operating effectiveness of the relevant key controls with respect to procurement, issues, consumption, allocation, recording and recognition of Inventory in respect of Raw Material, reusable scrap and WIP.

Key Audit matter	How the matter was addressed in our audit
<p>Given the complexity involved in production processes, gap between input and output, there is a risk of costs may not be accurately ascertained, allocated or recorded that could lead to potential misstatements.</p>	<ol style="list-style-type: none"> 2. Substantive checking of material procurement and its recording to ensure compliance with the relevant accounting policies adopted and the applicable accounting standards. 3. Substantive checking of recording consumption and allocation to WIP to ensure compliance with the relevant accounting policies adopted. 4. Substantive checking of inventory records to ensure compliance with the relevant accounting policies adopted. 5. Performed analytical review procedures in relation to inventory consumption.
<p>Our audit approach did not reveal any non-compliance with the company's declared accounting policies, GAAP and Ind AS.</p>	

Emphasis of Matter

We draw attention to the following matters in the notes to the standalone financial statements:

1. Note No. 9 (Other Non-Current Assets), Note No.11 (Current Financial Assets Trade - Receivables), Note No. 14 (Current Financial Assets - Others), Note No. 15 (Other Current Assets), Note No. 22 (Other Non-current Liabilities), Note No. 24 (Current Financial Liabilities - Trade Payables), Note No. 25 (Current Financial Liabilities - Others) and Note No. 26 (Other Current Liabilities) to the standalone financial statements are subject to receipt of confirmation of balances/reconciliation.

Our opinion on the standalone financial statements is not modified in respect of the above matters.

Information other than the standalone financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors' Report including Annual Report on CSR Activities, Management Discussion & Analysis Report, Business Responsibility Report, Report on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo, Report on Corporate Governance annexed thereto, Shareholder Information and other information contained in Annual Report but does not include the standalone financial statements and our report thereon. These reports are expected to be made available to us after the date of this auditor's report

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's responsibility for the standalone financial statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including cash flows, other comprehensive income, changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection

and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the standalone financial statements by the Directors of the Company, as aforesaid.

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

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the standalone financial statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control 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 based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities of the Company to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of the standalone financial statements of such entity included in.

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

We communicate with those charged with governance of the Company 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 of the Company 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 of the Company, 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. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure "A"**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
 2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The standalone balance sheet, the standalone statement of profit and loss including other comprehensive income, standalone statement of changes in equity and the standalone of cash flows dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of the standalone financial statements;
 - d) In our opinion, the aforesaid standalone financial statements comply with the IND AS specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e) As per Section 164(2) of the Act regarding disqualification of directors is not applicable to the Company by virtue of Notification No. G.S.R. No.463 (E) dated 05.06.2015, Government companies are exempt from the applicability of the provisions of section 164(2) of the Act. Hence no comments offered;
- 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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
 - a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 41 to the financial statements;
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - d. (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including

foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- (iii) Based on such audit procedures as were 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 (i) and (ii) contain any material mis-statement.
- h) Based on our examination, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) and the same has operated throughout the year. Further,

during the course of our audit we did not come across any instance of audit trail feature being tampered with.

3. As required by Section 143(5) of the Act, we give in **Annexure "D"**, a statement on the matters contained in directions issued by the Comptroller & Auditor General of India, the action taken thereon and its impact on the accounts and standalone financial statements of the company in terms of aforesaid section;

Gandhi & Gandhi
Chartered Accountants

Sd/-

Rama Mohan Giri

Partner

Mem No. 29478

Firm Reg No. 000849S

UDIN: 24029478BKBEMB6909

29th May, 2024

Annexure “A”

to Independent Audit Report on Standalone Financial Statements

(Referred to in paragraph 1 under ‘Report on other legal and regulatory requirements’ section of our report to the members of Mishra Dhatu Nigam Limited for the year ended 31st March, 2024)

- 3(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (a) (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a policy of verification to cover all the items of Property, Plant and Equipment, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, 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) According to the information and explanations given to us and as per the records examined by us, the title deeds of the immovable properties comprising of land and buildings (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company as at the balance sheet date except for the following:

Sl. No.	Particulars	Land Details
1	Description of property	1. Factory Area: 132 acres and 31 Guntas 2. Corporate Office: 8.00 Acres 3. Township Area: 97 Acres and 05 Guntas 4. Under lease to DRDO & Others: 37 Acres and 39 Guntas
2	Gross carrying value	₹ 128.82 Lakh
3	Held in the name of	DMRL, Ministry of Defence. However, in some land award proceedings, MIDHANI's name is mentioned as Super Alloy Plant of DMRL
4	Whether Promoter, Director or their relative or employee	No
5	Period Held. Indicate Range where appropriate	Since 1975/1977/1985/1986
6	Reason for not being held in the name of the Company	Conveyance Deed for 275 Acres and 35 Guntas of land acquired which are through various Allotment/Award Letters/GO's are yet to be executed in the name of the Company. Most of them are allotted/ granted by the undivided Govt. of AP earlier. In the said Grant proceedings, MIDHANI is mentioned as Super Alloy Plant of DMRL (Defence Organization). Further, out of this 1.5 Acres land is under dispute on account of unauthorized occupancy by third party.

- (d) As per the information and explanations given to us, the company has not revalued any of its Property, Plant and Equipment (including Right of use of asset) or intangible assets or both during the year. Accordingly, clause 3(i) (d) is not applicable for the year under review.
- (e) According to the information and explanation provided to us and the records examined by us, no proceedings have been initiated or are pending against the Company for holding benami property under the Benami Transaction (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder. Accordingly, clause 3(i)(e) of the order is not applicable.

- 3(ii) (a) According to the information and explanation provided to us, the inventory has been physically verified by the management at reasonable intervals. The procedure for physical verification is appropriate having regard to the nature, size, scale and volume of business operations. No discrepancies exceeding 10% or more in the aggregate of net carrying value of each class of inventory were noticed. However, the discrepancies noticed, having regard to the nature and the size of the business, on physical verification have been adequately dealt with.
- (b) During the year, the company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks or financial institutions on the basis of security of current assets. The quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the company.
- 3(iii) During the year, the company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, clause 3(iii) of the order is not applicable.
- 3(iv) According to the information and explanations given to us and based on our examination of records, the provisions of section 185 and 186 of the Act are not applicable to the Company vide Notification GSR No.463 (E) F.No.1/2/2014-CL.V dated 5th June 2015.
- 3(v) According to the information and explanations given to us and based on our examination of records, the company has not accepted any deposits and accordingly clause 3(v) of the order is not applicable.
- 3(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the same.
- 3(vii) (a) According to the information and explanations given to us, the company is regular in depositing its dues in respect of Goods & Service Tax, provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess. We were informed by the management that there were no dues under any other statutes. There are no arrears of undisputed amounts payable as at year end for a period of more than 6 months from the date they became payable.
- (b) Details of disputed Statutory Dues of Sales Tax, Value Added Tax, Customs Duty, Excise Duty, Entry Tax, Service Tax, Cess (as applicable) as at 31st March, 2024, on account of disputes pending before appropriate authorities as given in Annexure – "B".
- 3(viii) According to the information and explanations given to us and the records of the company examined by us, there are no transactions which are not recorded in the books of account, which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- 3(ix) (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company has not defaulted in repayment of dues to any financial institution or bank or government during the year. The Company has not issued any debentures.
- (b) According to the information and explanation given to us and records examined by us, the company has been not declared as wilful defaulter by any bank or financial institution or any other lender.
- (c) According to the information and explanation given to us and records examined by us, the company has applied term loans for the purpose for which they were obtained.
- (d) According to the information and explanation given to us and records examined by us, the company has not used the funds raised for short term funds basis for the long-term purposes.
- (e) According to the information and explanation given to us and records examined by us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of any other entities.
- (f) According to the information and explanation given to us and records examined by us, the company has not raised any loans during the year on the pledge of securities held.
- 3(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments).
- (b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

3(xi) (a) According to the information and explanations given to us and records examined by us, no fraud by the Company or no fraud on the Company by its officers or employees has been noticed or reported during the year. Accordingly, there were no instances which necessitated filing of report under sub-section (12) of section 143 of the Companies Act in Form ADT – 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

3(xii) (b) According to the information and explanations given to us and records examined by us, no complaints were received from any whistle-blower, neither against the Company nor any of the managerial personnel.

The Company is not a Nidhi Company. Hence, clause 3(xii) of the order is not applicable.

3(xiii) According to the information and explanations given to us and records examined by us, the transactions with the related parties are in compliance, wherever applicable, with section 177 and 188 of the Act and the details of such transactions, have been disclosed in the standalone financial statements as required by the applicable accounting standards.

3(xiv) (a) The company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the internal auditors for the period under audit were considered during the audit.

3(xv) According to the information and explanations given to us and records examined by us, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, clause 3(xv) of the order is not applicable.

3(xvi) According to the information and explanations given to us and records examined by us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. The company did not conduct any Non-Banking Financial or Housing Finance activity. The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of

India. Hence reporting under clause 3(xvi) of the order is not applicable.

3(xvii) The Company has neither incurred cash loss during the year under consideration nor in the immediately preceding financial year.

3(xviii) During the year under review, there has been no instance of any resignation of the Statutory Auditors. Hence the provisions of para (xviii) of the said order are not applicable.

3(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

3(xx) (a) The company has no unspent fund in respect of projects other than ongoing projects under the provisions of Section 135 of the Companies Act.

(b) The Company has no amount remaining unspent under Section 135(5) of the Companies Act, pursuant to any ongoing project.

3(xxi) There are no qualifications or adverse remarks by the Auditors of the Joint Controlled Entity, whose share of profit/loss is included in the consolidated financial statements of the Company.

Gandhi & Gandhi
Chartered Accountants

Sd/-

Rama Mohan Giri

Partner

Mem No. 29478

Firm Reg No. 000849S

UDIN: 24029478BKBEMB6909

29th May, 2024

Annexure “B”

to the Independent Auditor’s Report

Annexure to the Independent Auditor’s Report on the Standalone Financial Statements for the year ended 31st March, 2024 Of Mishra Dhatu Nigam Limited

(Referred to in paragraph vii(c) of Annexure A, a statement on the matters specified in the Companies (Auditor’s Report) Order, 2020 (as amended) of the Company for the year ended on 31st March, 2024)

According to the records of the company dues on account of any dispute with respect to Sales Tax, Value Added Tax, Customs Duty, Excise Duty, Service Tax, Entry Tax, Cess and the particulars are furnished below:

(₹ In Lakh)

Name of the Statute	Nature of Dues	Total Demand Amount	Paid under Protest	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Customs Duty & Penalty	540.89	20.28	2009-12	CESTAT
Central Excise Tariff Act, 1985	Excise Duty & Penalty	225.97	-	2006-07 to 2008-09	CESTAT
Finance Act, 1994	Service Tax on LD received from Vendors	154.2	7.71	01/07/2012 to 31/03/2016	CESTAT
Customs Act, 1962	Customs Duty & Penalty	106.2	-	2011-12	CESTAT
CST Act, 1956	CST	143.6	109.44	2009-10 to 2011-12	VAT Tribunal
Finance Act, 1994	Service Tax on LD received from Vendors	33.21	3.32	2016-17	CESTAT
VAT Act, 2005	VAT	47.83	23.92	02/2014 to 06/2017	Appellate Deputy Commissioner
Customs Act, 1962	Customs Duty & Penalty	116.7	114.7	2020-21	CESTAT

Annexure “C”

to the Independent Auditor’s Report

Annexure to the Independent Auditor’s Report on the Standalone Financial Statements for the year ended 31st March, 2024 Of Mishra Dhatu Nigam Limited

(Referred to in paragraph 2 (f) under ‘Report on other legal and regulatory requirements’ section of our report to the Members of Mishra Dhatu Nigam Limited for the year 23-24)

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 Mishra Dhatu Nigam Limited (“the Company”) as at 31st March, 2024, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s responsibility for internal financial controls

The 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, 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 Act.

Auditors’ responsibility

Our responsibility is to express an opinion on the Company’s 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 Act, 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 were 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 in the standalone financial statements, whether due to fraud or error.

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

Meaning of internal financial controls over financial reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial 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

- i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting

principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

- iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management of 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 and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control 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.

Gandhi & Gandhi
Chartered Accountants

Sd/-

Rama Mohan Giri

Partner

Mem No. 29478

Firm Reg No. 000849S

UDIN: 24029478BKBEMB6909

29th May, 2024

Annexure “D” to the Independent Auditor’s Report

Annexure to the Independent Auditor’s Report on the Standalone Financial Statements for the year Ended 31st March, 2024 Of Mishra Dhatu Nigam Limited

(Referred to in paragraph 3 under “Report on other legal and regulatory requirements” section of our report to the members of Mishra Dhatu Nigam Limited of even date)

Reports on the directions under 143(5) of Companies Act,2013 issued by the Comptroller and Auditor General of India

Sl. No.	Directions u/s. 143(5) of the Companies Act, 2013	Auditor’s Reply on action taken on the directions	Impact
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.	Company is using Oracle ERP software to record all business and financial transactions including Purchase Accounting, Sales Accounting, Inventory transactions, Production transactions, Accounts Payable, Accounts Receivable, Fixed Assets, Payroll, Oracle Process Manufacturing and General Ledger and all the modules are integrated with one another. The software itself has built in checks and validations between inter related modules. Accordingly, the data accuracy and integrity are maintained. All payment approvals are processed using the approval hierarchy defined in Oracle Module. All the accounting transactions are processed and the Trial Balance is generated from Oracle based ERP System. In view of the above, we confirm that no financial transactions are carried out outside IT systems and hence there is no financial implication on the integrity of the accounts during the Financial Year 2023-24.	NIL
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. Whether such cases are properly accounted for?	According to the information and explanation furnished to us and based on our examination of books, 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 during the financial year 2023-24.	NIL
3	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/ State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	Based on the examination of the books and records of the company, during the Financial Year 2023-24, no funds were received by the Company for any specific schemes.	NIL

Gandhi & Gandhi
Chartered Accountants

Sd/-

Rama Mohan Giri

Partner

Mem No. 29478

Firm Reg No. 000849S

UDIN: 24029478BKBEMB6909

29th May, 2024

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

The preparation of financial statements of **Mishra Dhatu Nigam Limited, Hyderabad** 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 auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is 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 29 May 2024.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Mishra Dhatu Nigam Limited, Hyderabad** 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 auditor and is limited primarily to inquiries of the statutory auditor 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 the statutory auditors' report under section 143(6)(b) of the Act.

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

Rajesh Ranjan
(Rajesh Ranjan)

Principal Director of Audit, Defence - Commercial

Place: Bengaluru

Date: 24 July 2024

Standalone Balance Sheet

as at 31st March, 2024

(₹ in Lakh)

Particulars	Note No.	As at 31 st March, 2024	As at 31 st March, 2023
ASSETS:			
Non-current assets			
Property, Plant and Equipment	3	1,02,777.80	1,01,087.21
Capital work-in-progress	5	8,305.75	7,964.40
Other Intangible assets	4	373.16	463.00
Financial Assets			
(i) Investments	6	2,210.11	2,210.11
(ii) Loans	7	-	-
Non current tax assets (Net)	8	-	52.88
Other non-current assets	9	195.19	228.77
Total Non-Current Assets		1,13,862.01	1,12,006.37
Current assets:			
Inventories	10	1,30,971.81	1,22,484.37
Financial Assets			
(i) Trade receivables	11	32,300.17	31,579.89
(ii) Cash and cash equivalents	12	1,647.66	1,429.11
(iii) Bank balances [other than (ii) above]	13	13.71	12.43
(iv) Others	14	1,712.32	922.40
Other current assets	15	10,063.03	17,925.95
Total Current Assets		1,76,708.70	1,74,354.15
Total Assets		2,90,570.71	2,86,360.52
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	16	18,734.00	18,734.00
Other Equity	17	1,13,210.30	1,09,885.42
Total Equity		1,31,944.30	1,28,619.42
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	18	5,914.13	6,735.67
(ia) Lease Liabilities		8,099.94	8,132.68
(ii) Others	19	109.83	94.53
Provisions	20	207.71	184.60
Deferred tax liabilities (net)	21	4,467.78	3,957.46
Other non-current liabilities	22	62,312.67	58,545.29
Total Non-current liabilities		81,112.06	77,650.23
Current Liabilities			
Financial liabilities			
(i) Borrowings	23	26,500.00	31,999.63
(ia) Lease Liabilities		2,750.43	1,997.12
(ii) Trade payables	24		
(A) Micro enterprises and Small Enterprises		768.39	429.96
(B) Other than Micro enterprises and Small enterprises		11,228.91	14,147.74
(iii) Others	25	13,079.33	12,191.95
Other current liabilities	26	20,233.92	16,290.18
Provisions	27	2,953.37	3,034.29
Total Current Liabilities		77,514.35	80,090.87
Total Equity and Liabilities		2,90,570.71	2,86,360.52

The accompanying notes 1 to 48 form an integral part of the financial statements.
Subject to our report of even date

for **GANDHI & GANDHI**
Chartered Accountants
Firm's registration no. 000849S

Sd/-
CA Rama Mohan Giri
Partner
Membership No.29478

Place: Hyderabad
Date: 29-05-2024

for and on behalf of the Board of Directors

Sd/-
Dr. Sanjay Kumar Jha
Chairman & Managing Director
DIN: 07533036

Sd/-
Shri. Gowri Sankara Rao Naramsetti
Director (Finance)
DIN: 08925899

Sd/-
Shri Paul Antony
Company Secretary
Memb. No.A29037

Standalone Statement of Profit and Loss

for the year ended 31st March, 2024

(₹ in Lakh)

Particulars	Note No.	For the Year Ended 31 st March, 2024	For the Year Ended 31 st March, 2023
Income			
Revenue From Operations	28	1,07,267.45	87,194.14
Other Income	29	2,993.52	3,778.14
Total Income		1,10,260.97	90,972.28
Expenses			
Cost of material consumed	30	52,347.25	39,117.67
Change in inventories of finished goods, work-in-progress and stock-in-trade	31	(7,497.04)	(22,832.49)
Employee benefits expense	32	13,383.11	12,581.85
Finance Costs	33	3,457.51	2,573.21
Depreciation and amortization expense	3, 4	5,855.20	5,300.45
Other expenses	34	29,618.99	32,576.67
Total Expenses		97,165.02	69,317.36
Profit / (Loss) before exceptional items and tax		13,095.95	21,654.92
Exceptional Items - Income / (Expense)		-	-
Profit / (Loss) before tax		13,095.95	21,654.92
Tax expense			
Current Tax	35	3,456.66	5,611.76
Earlier Year Tax		2.65	15.26
MAT Credit Entitlement			
Deferred Tax		510.32	440.29
Profit / (Loss) for the period		9,126.32	15,587.61
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		(41.77)	(10.34)
(ii) Income tax relating to items that will not be reclassified to profit or loss		10.51	2.60
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Other comprehensive income for the year net of tax		(31.26)	(7.74)
Total Comprehensive Income for the period		9,095.06	15,579.87
(Comprising Profit / (Loss) and Other Comprehensive Income for the period)			
Earning per equity share (Amount in ₹)			
Basic (₹)		4.87	8.32
Diluted (₹)		4.87	8.32
Weighted average number of shares (Nos.) (Basic & Diluted)		18,73,40,000	18,73,40,000

The accompanying notes 1 to 48 form an integral part of the financial statements.
Subject to our report of even date

for **GANDHI & GANDHI**
Chartered Accountants
Firm's registration no. 000849S

Sd/-
CA Rama Mohan Giri
Partner
Membership No.29478

Place: Hyderabad
Date: 29-05-2024

for and on behalf of the Board of Directors

Sd/-
Dr. Sanjay Kumar Jha
Chairman & Managing Director
DIN: 07533036

Sd/-
Shri. Gowri Sankara Rao Naramsetti
Director (Finance)
DIN: 08925899

Sd/-
Shri Paul Antony
Company Secretary
Memb. No.A29037

Standalone Statement of Changes in Equity

as at 31st March, 2024

A. Equity Share Capital

(1) As at 31st March, 2024

Balance as at 01 st April, 2023	Changes in Equity Share Capital due to prior period errors	Restated balance as at 01 st April, 2023	Changes in share capital during the F.Y. 2023-24	Balance as at 31 st March, 2024
18,734.00	-	18,734.00	-	18,734.00

(2) As at 31st March, 2023

Balance as at 01 st April, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance as at 01 st April, 2022	Changes in share capital during the F.Y. 2022-23	Balance as at 31 st March, 2023
18,734.00	-	18,734.00	-	18,734.00

B. Other Equity

(1) As at 31st March, 2024

(₹ in Lakh)

Particulars	Reserves and Surplus		Other Comprehensive Income	Total Other Equity
	Retained Earnings	General Reserve	Other items of Other Comprehensive Income	
Opening Balance as at 1st April, 2023	9,923.80	99,875.87	85.75	1,09,885.42
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance as at 1st April, 2023	9,923.80	99,875.87	85.75	1,09,885.42
Profit for the Period	9,126.32			9,126.32
Remeasurement of the net defined benefit liability / asset, net of tax effect			(31.26)	(31.26)
Dividends	(5,770.18)			(5,770.18)
Transfer to General Reserve	(6,600.00)	6,600.00		-
Balance as at 31st March, 2024	6,679.94	1,06,475.87	54.49	1,13,210.30

Standalone Statement of Changes in Equity

as at 31st March, 2024

(2) As at 31st March, 2023

(₹ in Lakh)

Particulars	Reserves and Surplus		Other Comprehensive Income	Total Other Equity
	Retained Earnings	General Reserve	Other items of Other Comprehensive Income	
Opening Balance as at 1st April, 2022	10,368.58	89,875.87	93.49	1,00,337.94
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance as at 1st April, 2022	10,368.58	89,875.87	93.49	1,00,337.94
Profit for the Period	15,587.61			15,587.61
Remeasurement of the net defined benefit liability / asset, net of tax effect			(7.74)	(7.74)
Dividends	(6,032.39)			(6,032.39)
Transfer to General Reserve	(10,000.00)	10,000.00		-
Balance as at 31st March, 2023	9,923.80	99,875.87	85.75	1,09,885.42

The accompanying notes 1 to 48 form an integral part of the financial statements.

Subject to our report of even date

for **GANDHI & GANDHI**

Chartered Accountants

Firm's registration no. 000849S

Sd/-

CA Rama Mohan Giri

Partner

Membership No.29478

Place: Hyderabad

Date: 29-05-2024

for and on behalf of the Board of Directors

Sd/-

Dr. Sanjay Kumar Jha

Chairman & Managing Director

DIN: 07533036

Sd/-

Shri. Gowri Sankara Rao Naramsetti

Director (Finance)

DIN: 08925899

Sd/-

Shri Paul Antony

Company Secretary

Memb. No.A29037

Standalone Statement of Cash Flow

for the period ended 31st March 2024

(₹ in Lakh)

Particulars	For the Year Ended 31 st March, 2024	For the Year ended 31 st March, 2023
Cash flows from operating activities		
Profit/(loss) for the year (before tax)	13,095.95	21,654.92
Adjustments for:		
Depreciation expense	5,855.20	5,300.45
Finance costs	2,736.94	1,856.70
Interest on Lease Liability	720.57	716.51
Interest income	(551.79)	(589.69)
Deferred Income from customer funded assets/Grant	(864.67)	(930.58)
Other Comprehensive Income	(41.77)	(10.34)
Profit / Loss on sale of Fixed Assets	25.55	4.59
	20,975.98	28,002.56
Working capital adjustments:		
(Increase) decrease in inventories	(8,487.44)	(13,335.21)
(Increase) decrease in trade receivables and loans	(720.28)	(947.47)
(Increase) decrease in other financial assets	(789.92)	33.99
(Increase) decrease in other non-current assets	-	-
(Increase) decrease in other current assets	7,896.82	2,690.09
Increase (decrease) in trade payables	(2,580.40)	(1,658.83)
Increase (decrease) in other financial liabilities	1,011.50	(382.09)
Increase (decrease) in provisions	(73.65)	(118.50)
Increase (decrease) in non-current liabilities	3,767.38	(5,719.43)
Increase (decrease) in other current liabilities	3,943.74	(6,897.00)
Cash generated from operating activities	24,943.73	1,668.11
Income tax paid (net)	(3,380.08)	(5,209.33)
Net cash from/(used in) operating activities (A)	21,563.65	(3,541.22)
Cash flow from investing activities		
Acquisition of property, plant and equipment (Net)	(7,906.44)	(7,285.29)
Deferred Income from Customer funded assets/Grant	864.67	930.58
Profit / Loss on sale of Fixed Assets	(25.55)	(4.59)
Investment in other projects	-	-
Interest received	551.79	804.32
Investment in fixed deposits	-	5,260.00
Net cash from/(used in) investing activities (B)	(6,515.53)	(294.98)
Cash flows from financing activities		
Repayment of Borrowings	(31,999.63)	(23,981.88)
Availment of borrowings	25,678.46	35,959.42
Dividend on shares	(5,771.46)	(6,034.39)
Lease Liability	720.57	907.65
Interest on Lease Liability	(720.57)	(716.51)
Interest paid	(2,736.94)	(1,856.70)
Net cash flow from (used in) financing activities (C)	(14,829.57)	4,277.59
Net increase / (decrease) in cash and cash equivalents (A+B+C)	218.55	441.39
Cash and cash equivalents at 1 April	1,429.11	987.72
Cash and cash equivalents at the reporting date	1,647.66	1,429.11
Reconciliation of cash and cash equivalents as per the balance sheet		
Cash and cash equivalents as per the cash flow statement	1,647.66	1,429.11
Other bank balances not considered above		
- Term Deposit	-	-
Cash and cash equivalents (including Term Deposits) at the reporting date	1,647.66	1,429.11

The accompanying notes 1 to 48 form an integral part of the financial statements.

Subject to our report of even date

for **GANDHI & GANDHI**
Chartered Accountants
Firm's registration no. 000849S

Sd/-
CA Rama Mohan Giri
Partner
Membership No.29478

Place: Hyderabad
Date: 29-05-2024

for and on behalf of the Board of Directors

Sd/-
Dr. Sanjay Kumar Jha
Chairman & Managing Director
DIN: 07533036

Sd/-
Shri. Gowri Sankara Rao Naramsetti
Director (Finance)
DIN: 08925899

Sd/-
Shri Paul Antony
Company Secretary
Memb. No.A29037

Standalone Significant Accounting Policies

1. GENERAL INFORMATION

Mishra Dhatu Nigam Limited (“the Company”) a Government of India enterprise was set up in 1973 and is engaged in the business of manufacturing of superalloys, titanium, special purpose steel and other special metals. The Company has its registered office at ‘P.O. Kanchanbagh, Hyderabad, 500058’.

The Financial Statements for the year ended 31st March 2024 are approved by the Board of Directors and authorized for issue on 29th May 2024 by Board.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

i. Statement of compliance

The financial statements are prepared and presented in accordance with Indian Accounting Standards (Ind AS) [as notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015], as amended from time to time, to the extent applicable, the provisions of the Companies Act, 2013 and these have been consistently applied.

ii. Functional and presentation currency

The standalone financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the entity operates. All financial information presented in Indian rupees has been rounded to the nearest lakhs except share and per share data.

iii. Use of estimates and judgment

The preparation of financial statements in conformity with Ind AS require estimates and assumptions to be made that affect the application of accounting policies and reported amounts of assets and liabilities, and the reported amounts of revenues and expenses during the reporting period. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

2.2 Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these standalone financial statements, unless otherwise stated.

2.3 Revenue recognition

Revenue is recognized when significant risks and rewards of ownership and effective control on goods have been transferred to the buyer. Revenue from the sale of manufactured goods is recognized upfront at the point in time when the goods are delivered to the customer. The supply of alloys may include supply of third-party equipment or material. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the company is acting as the principal or as an agent of the customer. The company recognizes revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, liquidated damages, performance bonuses and incentives, if any, as specified in the contract with the customer.

Revenue is recognized when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. The appropriate timing for transfer of risks and rewards varies depending on the individual terms and conditions of the sales contract.

In case of Ex-works contract, revenue is recognized when the goods are handed over to the carrier/agent for dispatch to the buyer and wherever customer’s prior inspection is stipulated; revenue is recognized upon acceptance by customer’s inspector.

In case of sales on FOR/FOB destination contracts, revenue is recognized considering the expected time in respect of dispatches to reach the destination within the accounting period, subject to adjustments based on actual receipt of material at destination.

Claims for additional revenue in respect of sales contracts/orders against outside agencies are accounted on certainty of realization.

Revenue on rendering of service: Revenue is recognized when the outcome of the services rendered can be estimated reliably. Revenue is recognized in the period

Standalone Significant Accounting Policies

when the service is performed by reference to the contract stage of completion on the reporting date.

Contract assets are recognized when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognized when there is a billing in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation a cumulative adjustment is accounted for.

Customer contributed equipment to facilitate Company's fulfilment of contract are accounted as non-cash consideration received from Customer and are measured at fair value.

Use of significant judgments in revenue recognition:

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identify distinct performance obligations in the contract. Identification of distinct performance obligation involves judgment to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgment is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the

amount of cumulative revenue recognized will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company uses judgment to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

The Company exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Contract fulfillment costs are generally expensed as incurred except for certain software license costs which meet the criteria for capitalization. The assessment of this criterion requires the application of judgment, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

2.4 Foreign currencies

Foreign currency monetary items are recorded in the Functional Currency at the closing rate of the reporting period. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Exchange differences arising on account of settlement / conversion of foreign currency monetary items are recognized as expense or income in the period in which they arise.

Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through statement of profit and loss.

Standalone Significant Accounting Policies

2.5 Employee benefits

i. Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in the statement of profit and loss in the periods during which services are rendered by employees. The Company has Post Retirement Medical Benefit Scheme (PRMBS) and Pension Scheme under this category.

ii. Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on government bonds, in the absence of deep market for high quality corporate bonds that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Company. An economic benefit is available to the Company if it is realizable during the life of the plan, or on settlement of the plan liabilities.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in the statement of profit and loss on a straight-line basis over the average period until

the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in the statement of profit and loss. The Company recognizes all actuarial gains and losses arising from defined benefit plans in other comprehensive income.

The Company has Gratuity and contribution towards Provident Fund under this category.

iii. Compensated Absence

The Company accounts for its liability towards compensated absences based on actuarial valuation done as at the balance sheet date by an independent actuary using the Projected Unit Credit Method. The liability includes the long term component accounted on a discounted basis and the short term component which is accounted for on an undiscounted basis.

iv. Other Employee Benefits

Other employee benefits are estimated and accounted for based on the terms of the employment contract.

2.6 Property, plant and equipment

Land is capitalized at cost to the Company. Development of land such as leveling, clearing and grading is capitalized along with the cost of building in proportion to the land utilized for construction of building and rest of the development expenditure is capitalized along with the cost of land. Development expenditure incurred for the purpose of landscaping or for any other purpose not connected with construction of any building is treated as cost of land.

All other items of Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. The company opted to adopt the previous GAAP value as the 'deemed cost' for the purposes of preparation of opening balance sheet as at 01 April 2015.

The cost of property, plant and equipment includes expenditures arising directly from the construction or acquisition of the asset, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, when the Company has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The cost of replacing a part of an item is recognized in the carrying amount of the item of property, plant and equipment, if the following recognition criteria are met:

Standalone Significant Accounting Policies

- a) It is probable that future economic benefits associated with the item will flow to the Company and;
- b) The cost can be measured reliably.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. Useful lives of the significant components are estimated by the internal technical experts.

The carrying amount of the replaced part is de-recognized at the time the replacement part is recognized. The gain or loss arising from the de-recognition of an item of property, plant and equipment is included in statement of profit and loss when the item is de-recognized. The costs of the day-to-day servicing of the item are recognized in statement of profit and loss as incurred.

The present value of expected cost for the dismantling and restoration are included in the cost of respective assets if recognizing criteria for provision are met.

Pending disposal, unserviceable fixed assets are removed from the Fixed Assets Register and shown under "Other Current Assets" as a separate line item at the lower of their net book value and net realizable value. As and when the disposal of such assets takes place, the difference between the carrying amount and the amount actually realized will be recognized as Loss / Profit from sale of Fixed Assets.

Advance paid towards the acquisition of property, plant and equipment, outstanding at each balance sheet date is classified as capital advance under "Other non-current assets" and the cost of assets not put to use before such date are disclosed under 'capital work-in-progress'.

As per para 8 of Ind AS 16, items such as spare parts, stand-by equipment and servicing equipment are recognised in accordance with this Ind AS when they meet the definition of property, plant and equipment and are expected to be used for more than one accounting year. Otherwise, such items are classified as inventory.

Depreciation

Depreciation is calculated using the straight line method to allocate their cost, net of residual values, over the estimated useful life.

The useful lives have been determined to be equal to those prescribed in Schedule II to the Companies Act, 2013. The

assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Assets whose actual cost does not exceed `5000/-, depreciation is provided at the rate of hundred percent in the year of capitalization.

Disposal:

Gain and losses on disposal are determined by comparing net sale proceeds with carrying amount. These are included in statement of profit and loss.

2.7 Intangible assets

i. Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized 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. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. For transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

ii. De-recognition of intangible assets

An intangible asset is de-recognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in statement of profit and loss when the asset is de-recognized.

iii. Useful lives of intangible assets

Amortization is calculated using the straight line method to allocate their cost, net of residual values, over the estimated useful life.

The useful lives have been determined in accordance with guidance provided at Schedule II to the Companies Act, 2013.

Standalone Significant Accounting Policies

The assets' useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

2.8 Inventories

Inventories are valued on the following basis:

i. Raw materials, consumables, spares and Tools and Instruments in Central Stores

At weighted average cost

ii. Raw materials in Shop floor/ Sub-stores in the shops

At weighted average rate of Central Stores, at the end of the year

iii. Consumables in Shop floor/Sub-stores

All consumables drawn from the Central Stores are charged off to expense. Only in respect of 'A' and 'B' class consumables identified by Management from time to time, the stock at the Shop floor/Shop sub-stores are brought to inventory at the close of the year at the weighted average rate. However, moulds, rolls, dies etc., in use at the close of the year, are valued at issue rates with reference to the balance life, technically estimated.

iv(a) Re-usable process scrap, process rejections and sales rejections with customers for return

At estimated realizable value for scrap.

(b) Scrap Identified for Sale

At estimated realizable value or market value whichever is less

v Tools and Gauges

Issued tools, instruments, gauges etc. are amortized uniformly over their estimated life.

vi Work-in-process

At cost or estimated realizable value appropriate to the stage of production based on technical evaluation, whichever is less. However, the WIP of 5 years old and above is valued at the realizable scrap rate.

vii Finished Goods

At cost or net realizable value (at shop finished stage) whichever is less. However, the Finished

Goods of 5 years old and above is valued at the realizable scrap rate.

viii Goods in transit are valued at cost.

ix Stores declared surplus / unserviceable are transferred to salvage stores for disposal, and charged to revenue.

x Provision for the non-moving raw materials, consumables and spares for over three years is made as under:

Raw materials: 85% of the book value

Consumables and Spares (which do not meet definition of PPE): 50% of the book value

xi Stationery, uniforms, medical and canteen stores are charged off to revenue at the time of receipt.

2.9 Investments in associates and joint ventures

An associate is an entity over which the company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in associate and joint ventures are measured at cost in accordance with Ind AS 109- Financial Instruments.

Investment in associate and joint ventures are subject to impairment wherever there is indication of negative reserve in the accounts of JV Companies. However, such impairment is limited to the value of investment.

2.10 Income tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

Standalone Significant Accounting Policies

i. Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

ii. Deferred income tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognized for all taxable temporary differences.

2.11 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation taking into account the risks and uncertainties surrounding the obligation.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such provision is made, the Company recognizes any impairment loss on the assets associated with that contract.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimates. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

2.12 Financial instruments

i. Financial assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability. Financial assets and liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial 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

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Except Trade Receivable, financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

The Company's financial assets include security deposits, cash and cash equivalents, trade receivables and eligible current and non-current assets.

Standalone Significant Accounting Policies

Cash and cash equivalents comprise cash balances and term deposits with original maturities of one year or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

ii. Financial liabilities

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company de-recognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

The Company has the following financial liabilities: loans and borrowings and trade and other payables.

Such financial liabilities are recognized initially at fair value through profit or loss and stated net off transaction cost that are directly attributable to them. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

2.13 Impairment

i. Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security.

ii. Non-financial assets

At the end of each reporting period, the Company reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of the fair value less costs of disposal 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.

2.14 Borrowing costs

Borrowing costs incurred for obtaining assets which takes substantial period to get ready for their intended use are capitalized to the respective assets wherever the costs are directly attributable to such assets and in other cases by applying weighted average cost of borrowings to the expenditure on such assets. Other borrowing costs are treated as expense for the year.

Transaction costs in respect of long-term borrowings are amortized over the tenure of respective loans using effective interest method.

2.15 Finance income and costs

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues in the statement of profit and loss, using the effective interest method.

Standalone Significant Accounting Policies

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, impairment losses recognized on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in the statement of profit and loss using the effective interest method.

2.16 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

2.17 Segment reporting

Operating segments are identified in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Company is in the business of manufacturing of super alloys and other special metals. Considering the core activities of the Company, management is of the view that the Company operates a single business segment. Therefore, there is no other reportable segment.

2.18 Claims by / against the Company:

Claims on underwriters/carriers towards loss / damage are accounted when monetary claims are preferred.

Claims for refund of customs duty including project imports/port trust charge/excise duty are accounted on acceptance/receipt.

Liquidated Damages on suppliers are accounted on recovery.

Liquidated damages levied by the customers are netted-off from revenue on recovery/advice by the customers. A provision is created for the likely claims of Liquidated Damages for shipments made where a reliable estimation can be made.

Disputed/Time barred debts from Govt. Depts. & PSUs are not treated as Doubtful Debts. However, on a review appropriate provisions/write offs are made in the books of accounts on a case to case basis.

Provision for Doubtful Debts is made on the amounts due from other than Govt. Depts. & PSUs using expected credit loss provisional matrix.

Provision for Contingencies & Warranty to take care of rejected / returned material by customers is provided at an average of percentages of rejections over turnover related to manufactured products for the previous 5 years.

2.19 Research and development expenses:

Research expenditure is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalized. Tangible assets used in research and development are capitalized.

Expenditure incurred towards other development activity where the research results or other knowledge is applied for developing new or improved products or processes, are recognised as an Intangible Asset if the recognition criteria specified in Ind AS 38 are met and when the product or process developed is expected to be technically and commercially usable, the company has sufficient resources to complete development and subsequently use or sell the intangible asset, and the product or process is likely to generate future economic benefits.

2.20 Physical verification of Fixed Assets and Inventory:

Fixed Assets under the heads Land & Development, Roads & Bridges, Drainage, Sewerage and water system and Buildings & Internal Services are verified once in 3 years. All other Fixed Assets are verified once in the Financial Year.

Inventories of work-in-process, finished goods, raw materials and consumables in the Company premises are verified at the end of the financial year.

Inventories of raw materials, stores and spares in the Central Stores are verified on perpetual basis as per norms fixed from time to time and reconciled. Provisional adjustments are made to revenue, in respect of discrepancies pending reconciliation.

2.21 Cash Flow Statement:

Cash flow statement has been prepared in accordance with the indirect method prescribed in Ind AS 7- Statement of Cash Flows.

Standalone Significant Accounting Policies

2.22 New standards and interpretations not yet effective:

- i. A number of new standards, amendments to standards and interpretations are not yet effective as on the reporting date, and have not been applied in preparing these financial statements. The effect of the same is being evaluated by the Company.

2.23 Government Grants:

- i. Grants from the Government are recognized at their fair value where there is reasonable assurance that grant will be received and the Company will comply with all attached conditions.
- ii. Government grants relating to income are deferred and recognized in the profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income. Alternatively, they are deducted in reporting the related expense.
- iii. Grants related to non-depreciable assets may also require the fulfilment of certain obligations and would then be recognized in profit or loss over the periods that bear the cost of meeting the obligations.
- iv. Government Grants received either as subsidy or otherwise for acquisition of depreciable assets are accounted as deferred income. If the grant/subsidy is absolute, amount corresponding to the depreciation is treated as income over the life of the asset. If the grant/subsidy is attached with any conditions, such as repayment, income is accounted as per the terms of the grant/subsidy.

2.24 LEASES

Company as a lessee:

Contracts with third party, which give the company the right of use in respect of an Asset, are accounted in line with the provisions of Ind AS 116 – “Leases” if the recognition criteria as specified in the Accounting standard are met.

Lease payments associated with short term lease (term of twelve months or less) and lease in respect of low value assets are charged off as expenses on straight line basis over lease term or other systematic basis, as applicable.

At commencement date, the value of “right of use” is capitalised at the present value of outstanding lease payments plus any initial direct cost and estimated cost, if any, of dismantling and removing the underlying asset.

Liability for lease is created for an amount equivalent to the present value of outstanding lease payments. Subsequent measurement, if any, is made using cost model.

Each lease payment is allocated between the liability created and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The right of use asset is depreciated over the shorter of the asset’s useful life and the lease term on a straight line basis.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the company’s incremental borrowing rate.

Lease modifications, if any, are accounted as a separate lease if the recognition criteria specified in the standard are met.

Company as a Lessor:

Lease are classified as finance or operating lease based on the recognition criteria specified in Ind AS 116 – Leases.

a) Finance Lease:

At commencement date, amount equivalent to the “net investment in the lease” is presented as a receivable. The implicit interest rate is used to measure the value of the “net investment in Lease”.

Each lease payment is allocated between the Receivable created and finance income. The finance income is recognised in the statement of profit and loss over the lease period so as to reflect a constant periodic rate of return on the net investment in lease.

The asset is tested for de-recognition and impairment requirements as per Ind AS 109- Financial Instruments.

Lease modifications, if any, are accounted as a separate lease if the recognition criteria specified in the standard are met.

b) Operating lease:

The company recognises lease payments from operating leases as income on either a straight line basis or another systematic basis, if required. Lease modifications, if any, are accounted as a separate lease if the recognition criteria specified in the standard are met.

A lease is classified at the inception date as a finance lease or operating lease.

Notes to Standalone Financial Statements

for FY 2023-24

3. PROPERTY, PLANT AND EQUIPMENT

Particulars	GROSS CARRYING AMOUNT		ACCUMULATED DEPRECIATION		NET CARRYING AMOUNT			
	As at 1 st April, 2023	Additions during the year	Deductions/ Adjustments during the year	As at 31 st March, 2024	As at 1 st April, 2023	Additions during the year	Deductions/ Adjustments during the year	As at 31 st March, 2024
Land	1,718.39	-	-	1,718.39	-	-	-	1,718.39
Buildings/Drainage/Water systems	6,807.75	1,136.58	(4.19)	7,940.14	1,076.87	285.03	(1.06)	1,360.84
Plant and Equipment *	77,314.24	5,334.03	(239.58)	82,408.69	13,542.66	3,452.12	(125.72)	16,889.06
Furniture and Fixtures	605.46	29.16	(2.15)	632.47	329.20	54.07	(0.65)	382.62
Vehicles	611.09	6.56	(0.72)	616.93	343.67	58.86	-	402.53
Office Equipment	1,680.21	204.20	(14.90)	1,869.51	1,008.39	209.64	(10.76)	1,207.27
Other (Electrical Installations)	3,027.25	593.67	(2.10)	3,618.82	1,007.68	295.05	(0.34)	1,302.39
Others (Roads and Bridges)	443.96	-	-	443.96	46.65	83.69	-	130.34
Right of Use Assets								
Buildings/Drainage/Water systems	4,679.97	254.25	-	4,934.22	459.46	149.85	-	609.31
Plant and Equipment	21,564.15	-	-	21,564.15	1,698.14	819.44	-	2,517.58
Other (Electrical Installations)	3,526.35	-	-	3,526.35	1,378.89	335.00	-	1,713.89
Total	1,21,978.82	7,558.45	(263.64)	1,29,273.63	20,891.61	5,742.75	(138.53)	26,495.83

* Includes Assets funded by ASL where no repayment exists.

Particulars	GROSS CARRYING AMOUNT		ACCUMULATED DEPRECIATION		NET CARRYING AMOUNT			
	As at 1 st April, 2022	Additions during the year	Deductions/ Adjustments during the year	As at 31 st March, 2023	As at 1 st April, 2022	Additions during the year	Deductions/ Adjustments during the year	As at 31 st March, 2023
Land	1,718.39	-	-	1,718.39	-	-	-	1,718.39
Buildings/Drainage/Water systems	4,661.79	2,146.72	(0.76)	6,807.75	857.93	218.94	-	1,076.87
Plant and Equipment *	69,019.97	8,314.02	(19.75)	77,314.24	10,413.74	3,146.75	(17.83)	13,542.66
Furniture and Fixtures	506.93	98.61	(0.08)	605.46	279.11	50.15	(0.06)	329.20
Vehicles	499.96	111.15	(0.02)	611.09	289.10	54.57	-	343.67
Office Equipment	1,267.73	262.85	149.63	1,680.21	833.98	182.77	(8.36)	1,008.39
Other (Electrical Installations)	1,975.06	1,213.69	(161.50)	3,027.25	774.98	232.70	-	1,007.68
Others (Roads and Bridges)	11.30	432.66	-	443.96	2.32	44.33	-	46.65
Right of Use Assets								
Buildings/Drainage/Water systems	4,679.97	-	-	4,679.97	309.70	149.76	-	459.46
Plant and Equipment	21,564.15	-	-	21,564.15	878.70	819.44	-	1,698.14
Other (Electrical Installations)	3,526.53	-	(0.18)	3,526.35	1,043.89	335.00	-	1,378.89
Total	1,09,431.78	12,579.70	(32.66)	1,21,978.82	15,683.45	5,234.41	(26.25)	20,891.61

* Includes Assets funded by ASL where no repayment exists.

Notes to Standalone Financial Statements

for FY 2023-24

1. Conveyance deeds for 275 acres and 35 guntas of Land acquired which are through various Allotment/Award Letters/GO's are yet to be executed in the name of the Company. Most of them are allotted/granted by the undivided Govt. of AP earlier.

Further, above land includes:

- (a) Land leased to DRDO - 35 acres and 39 guntas (Operating Lease), (b) Land in the physical possession of Telanagana State Govt. - 1 acre, (c) Land in the physical possession of BDL - 1 acre and (d) 1.5 Acres land is under dispute on account of unauthorized occupancy by third party.
2. Claims for reimbursement of cost for 70 acres and 23 guntas of Land transferred by DRDO not acknowledged, as no final settlement has been reached.
 3. Pending registration/receipt of claims, no Provision has been made towards stamp Duty on conveyance deeds/conversion of Land use/property taxes/service charges (amount not ascertainable)
 4. Plant and Machinery includes Rs.5058.04 Lakh (31-Mar-2023 Rs.5066.35 Lakh) for R&D capital cost.
 5. Company considered the salvage value as 5% of the Cost of Assets.
 6. Principal Asset costing ₹100 Lakh and above only are identified for the purpose of componentization of assets.
 7. During the year, the Company has not revalued Property, Plant and Equipment.
 8. The Estimated useful life of various categories of assets are considered based on the Schedule II of the Companies Act, 2013, where NESD rates are available. For the other assets, management has estimated the useful life after taking into consideration, factors like expected usage of assets, risk of technical and commercial obsolescence etc. The estimated useful lives of various categories of Tangible Assets is as follows.

Asset Class	Useful Life (Years)
Buildings	30/60
Roads and Bridges	5
Electrical Installations	10
Plant, Machinery and Equipment	10/15/25
Electrical Equipments	3/6
Vehicles	8/10
Office Equipments	5/8/10
Furniture and Fixtures	8/10

9. Refer Note 41(ii) for outstanding contractual commitments.

Notes to Standalone Financial Statements

for FY 2023-24

4. INTANGIBLE ASSETS

Particulars	GROSS CARRYING AMOUNT			ACCUMULATED DEPRECIATION			NET CARRYING AMOUNT	
	As at 1 st April, 2023	Additions during the year	Deductions/ Adjustments during the year	As at 31 st March, 2024	As at 1 st April, 2023	Additions during the year	Deductions/ Adjustments during the year	As at 31 st March, 2024
	₹	₹	₹	₹	₹	₹	₹	₹
Computer Software	721.33	22.61	-	743.94	335.09	104.01	-	439.10
Copyrights & Patents and other intellectual property rights, services and operating rights	105.95	-	-	105.95	29.19	8.44	-	37.63
Total	827.28	22.61	-	849.89	364.28	112.45	-	476.73

(₹ in Lakh)

Particulars	GROSS CARRYING AMOUNT			ACCUMULATED DEPRECIATION			NET CARRYING AMOUNT	
	As at 1 st April, 2022	Additions during the year	Deductions/ Adjustments during the year	As at 31 st March, 2023	As at 1 st April, 2022	Additions during the year	Deductions/ Adjustments during the year	As at 31 st March, 2023
	₹	₹	₹	₹	₹	₹	₹	₹
Computer Software	374.46	346.87	-	721.33	276.96	58.13	-	335.09
Copyrights & Patents and other intellectual property rights, services and operating rights	24.20	81.75	-	105.95	21.28	7.91	-	29.19
Total	398.66	428.62	-	827.28	298.24	66.04	-	364.28

(₹ in Lakh)

5. CAPITAL WORK-IN-PROGRESS

Particulars	As at	
	31 st March, 2024	31 st March, 2023
Capital Work-in-Progress-Civil	1,430.35	1,600.44
Capital Work-in-Progress- Plant & Machinery Under Erection	6,542.26	5,870.38
Plant, Machinery & Equipment under Inspection & in Transit	333.14	493.58
Total	8,305.75	7,964.40

(₹ in Lakh)

Notes to Standalone Financial Statements

for FY 2023-24

6. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

(₹ in Lakh)

Particulars	As at	As at
	31 st March, 2024	31 st March, 2023
Trade Investments Non-Trade, Unquoted AT COST		
Investment in Equity instruments		
Investment in other entities		
AP Gas Power Corporation Limited (*)	-	-
18,43,857 fully paid up Equity share of ₹ 10/- each including 7,71,847 fully paid up bonus share of face value ₹ 10/- each	107.20	107.20
4,28,800 fully paid up Equity share of ₹ 10/- each subscribed at ₹ 24/- each and paid-up ₹ 24/- each	102.91	102.91
Investments in Joint Venture (**)		
Utkarsha Aluminium Dhatu Nigam Limited 2,00,00,000 fully paid up Equity share of ₹ 10/- each	2,000.00	2,000.00
Total	2,210.11	2,210.11

(*) Investment in APGPCL shares are in the nature of security deposit for uninterrupted supply of power which has no specified tenure. Hence, not considered for fair valuation.

(**) Details of Joint venture

(₹ in Lakh)

Particulars	Principal Activity and place of business	Proportion of ownership Interest/voting rights held by the Company	
		As at	As at
		31-03-2024	31-03-2023
Utkarsha Aluminium Dhatu Nigam Limited	For setting up High End Aluminium Alloy Production plant at Nellore, Andhra Pradesh.	50%	50%

7. NON-CURRENT FINANCIAL ASSETS - LOANS

(₹ in Lakh)

Particulars	As at	As at
	31 st March, 2024	31 st March, 2023
Unsecured, considered good	-	-
Loans to Vendors	-	-
Total	-	-

8. NON-CURRENT TAX ASSETS (NET)

(₹ in Lakh)

Particulars	As at	As at
	31 st March, 2024	31 st March, 2023
Advance Income Tax	-	52.88
Total	-	52.88

Notes to Standalone Financial Statements

for FY 2023-24

9. OTHER NON-CURRENT ASSETS

(₹ in Lakh)

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
Capital Advances				
Unsecured, considered good		195.19		228.77
Doubtful	35.46		35.46	
Less: Provision	35.46	-	35.46	-
Sub-Total		195.19		228.77
Others				
Doubtful Advances to supplier	22.52		22.52	
Less: Provision	22.52	-	22.52	-
Obsolete and slow moving -Raw material	416.67		370.72	
Less: Provision	416.67	-	370.72	-
Obsolete and slow moving -consumables	43.13		46.49	
Less: Provision	43.13	-	46.49	-
Obsolete and slow moving -spares	213.69		214.93	
Less: Provision	213.69	-	214.93	-
Total		195.19		228.77

10. INVENTORIES

(₹ in Lakh)

Particulars	As at	As at
	31 st March, 2024	31 st March, 2023
Raw Materials and components	9,745.93	10,470.00
Raw Materials and components -in transit	3,566.91	2,427.47
Total	13,312.84	12,897.47
Work-in-progress #	66,870.49	75,870.87
Total	66,870.49	75,870.87
Finished goods	11.22	26.97
Finished goods in transit	45.44	148.14
Total	56.66	175.11
Stores and spares	696.53	648.91
Stores and spares -in transit	24.78	-
Total	721.31	648.91
Loose Tools	38.66	32.35
Total	38.66	32.35
Consumables	2,518.18	2,021.86
Consumables-in transit	-	-
Total	2,518.18	2,021.86
Internally generated Scrap/rejected material *	47,453.67	30,837.80
Total	47,453.67	30,837.80
Grand Total	1,30,971.81	1,22,484.37

The Inventory does not include material held on behalf of Customers and material issued by the Customers to MIDHANI for job works.

#Work in progress Include materials lying with sub-contractors ₹ 2058.61 Lakh (31.03.2023 ₹ 1752.23 Lakh) and is subject to confirmation of balance by sub-contractors.

*Includes Rejected Materials lying with Customers ₹ 181.82 Lakh (31.03.2023 ₹ 123.93 Lakh) yet to be brought back from Customers.

Valuation of Inventories has been made as per criteria specified at 2.8 of Significant Accounting Policies given at Note-2.

Notes to Standalone Financial Statements

for FY 2023-24

11. CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in Lakh)

Particulars	As at	As at
	31 st March, 2024	31 st March, 2023
Trade Receivables		
Considered Good - Unsecured	32,345.38	31,641.08
Which have significant increase in Credit Risk	-	-
Credit Impaired	2,045.78	2,089.44
Total (A)	34,391.16	33,730.52
Less : Allowance for bad and doubtful debts		
Considered good - Unsecured (ECL)	(45.21)	(61.19)
Which have significant increase in Credit Risk	-	-
Credit Impaired	(2,045.78)	(2,089.44)
Total (B)	(2,090.99)	(2,150.63)
Grand Total (A-B)	32,300.17	31,579.89

Trade Receivables ageing schedule

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	29,686.98	979.23	662.29	816.28	200.60	32,345.38
(ii) Undisputed Trade Receivables - which have significant increase in Credit Risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	1,333.66	83.27	232.18	199.77	196.90	2,045.78
(iv) Disputed Trade Receivables - Considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in Credit Risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit impaired	-	-	-	-	-	-

For computing the trade receivables normal credit period allowed by the company of thirty days has been taken into consideration for calculating the due date from the date of invoice .

*Balances in Trade Receivables, is subject to confirmation and/or reconciliation.

Notes to Standalone Financial Statements

for FY 2023-24

Expected Credit Loss Percentage

Age of receivables	Expected credit loss	
	As at 31 st March, 2024	As at 31 st March, 2023
Within Credit the Period	2.03%	0.00%
Upto 3 months	2.86%	0.00%
3-6 months	13.14%	1.09%
6-9 months	29.08%	10.42%
9-12 months	60.74%	100.00%
>12 months	100.00%	100.00%
Specific Provision (Rs. In Lakh) relating to Defence, Govt and PSU customer dues	305.24	587.15
Specific Provision (Rs. In Lakh) relating to Defence, Govt, PSU, Private customer dues (LD)	1,740.54	1,502.29

(₹ in Lakh)

Age of receivables	As at	As at
	31 st March, 2024	31 st March, 2023
Private Customers -Unsecured		
Within Credit the Period	1,337.14	973.23
Upto 3 months	491.64	422.52
3-6 months	0.89	0.48
6-9 months	0.02	3.16
9-12 months	3.32	54.40
>12 months	1.93	6.42
Private Customers -secured	202.86	7.18
Defence, Govt and PSU customer dues	32,353.36	32,263.13

Movement in Provision made against Trade Receivables

(₹ in Lakh)

Particulars	Total
Loss allowance as on 31 st March, 2023	2,150.63
Changes in loss allowance	(59.64)
Loss allowance as on 31 st March, 2024	2,090.99

12. CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As at	As at
	31 st March, 2024	31 st March, 2023
Balances with Banks		
In Current Accounts	1,647.25	1,427.53
Cash on hand	0.41	1.58
Total	1,647.66	1,429.11

Notes to Standalone Financial Statements

for FY 2023-24

13. CURRENT FINANCIAL ASSETS - BANK BALANCES [OTHER THAN (NOTE 12) ABOVE]

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Unpaid Dividend *	13.71	12.43
Total	13.71	12.43

* This amount includes of ₹ 0.99 lakh (31-03-2023 - ₹ 1.26 lakh) towards Interim Dividend for the respective financial years, but not unpaid as per sec 124 of the Companies Act, 2013.

14. CURRENT FINANCIAL ASSETS - OTHERS

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Unsecured - Considered Good		
Loans and advances to employees	38.02	42.19
Claims receivable	25.93	54.97
Deposits with others	1,648.37	825.24
Total	1,712.32	922.40

15. OTHER CURRENT ASSETS

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Assets held for disposal	50.66	16.76
Prepaid expenses	275.30	263.13
GST/Customs duty receivable	9,380.65	17,434.93
Others		
Unsecured, considered good advance to suppliers	356.42	211.13
Total	10,063.03	17,925.95

16. EQUITY SHARE CAPITAL

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Authorised		
Equity shares		
20,00,00,000 shares @ ₹ 10/- per share	20,000.00	20,000.00
"(Previous Year 20,00,00,000 shares @ ₹ 10/- per share)"		
	20,000.00	20,000.00
Issued		
Equity shares		
18,73,40,000 shares @ ₹ 10/- per share	18,734.00	18,734.00
(Previous Year 18,73,40,000 shares @ ₹ 10/- per share)		
	18,734.00	18,734.00

Notes to Standalone Financial Statements

for FY 2023-24

(₹ in Lakh)

Particulars	As at	As at
	31 st March, 2024	31 st March, 2023
Subscribed and fully Paid up		
Equity shares		
18,73,40,000 shares @ ₹ 10/- per share	18,734.00	18,734.00
(Previous Year 18,73,40,000 shares @ ₹ 10/- per share)		
	18,734.00	18,734.00
Total	18,734.00	18,734.00

Reconciliation of shares outstanding at the beginning and at the end of the period:

(₹ in Lakh)

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	No. of Shares	Amount (₹ in Lakh)	No. of Shares	Amount (₹ in Lakh)
Outstanding as at Opening Date	18,73,40,000	18,734.00	18,73,40,000	18,734.00
Add: Issued during the period	-	-	-	-
Less: Buy-back during the period (if any)	-	-	-	-
Outstanding as at Closing Date	18,73,40,000	18,734.00	18,73,40,000	18,734.00

Terms/right attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share (Previous Year ₹ 10 per share). Each equity share represents one voting right.

Details of shareholders holding more than 5% shares in the Company

(₹ in Lakh)

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	No. of shares	% holding	No. of shares	% holding
Equity shares of ₹ 10/- each fully paid-up (Previous Year ₹ 10/- each)				
President of India	13,86,31,600	74.00%	13,86,31,600	74.00%
Life Insurance Corporation of India	-	-	-	-
HDFC Trustee Company Ltd. A/c HDFC Balanced Advantage Fund	1,33,29,106	7.11%	1,45,31,611	7.76%

Details of Shareholding of Promoters

Shares held by promoters as on 31st March, 2024

S. No.	Particulars	No. of Shares	% of Total shares	% Change during the year
1	President of India	13,86,31,600	74%	-

Notes to Standalone Financial Statements

for FY 2023-24

17. OTHER EQUITY

(₹ in Lakh)

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
General Reserve				
Opening Balance	-	99,875.87	-	89,875.87
Less: Depreciation adjustment	-	-	-	-
	-	99,875.87	-	89,875.87
Add: Additions during the year	-	6,600.00	-	10,000.00
Sub-total	-	1,06,475.87	-	99,875.87
Retained Earnings				
Opening Balance	-	9,923.80	-	10,368.58
Add: Amount transferred from statement of profit and loss	-	9,126.32	-	15,587.61
Amount available for appropriation	-	19,050.12	-	25,956.19
Less: Appropriations				
Interim Dividend	2,641.52	-	3,147.32	-
Final Dividend	3,128.66	-	2,885.07	-
Transferred to General Reserve	6,600.00	12,370.18	10,000.00	16,032.39
Sub-total	-	6,679.94	-	9,923.80
Components of other comprehensive income				
Opening Balance	-	85.75	-	93.49
Add: Remeasurement of the net defined benefit liability / asset, net of tax effect	-	(31.26)	-	(7.74)
Sub-total	-	54.49	-	85.75
Total	-	1,13,210.30	-	1,09,885.42

18. NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in Lakh)

Particulars	As at	As at
	31 st March, 2024	31 st March, 2023
Secured		
Term Loans		
from Banks	5,914.13	6,735.67
(Secured by way of Hypothecation of Machinery Purchased out of Term Loan) (Excluding Rs.2000.00 lakh (31.03.2023 -Rs.2000.00 lakh) which is due for payment within 12 months treated as Other Current Financial Liability and included under Note 23) Repayable in 20 quarterly equal installments)		
Total	5,914.13	6,735.67

19. NON-CURRENT FINANCIAL LIABILITIES - OTHERS

(₹ in Lakh)

Particulars	As at	As at
	31 st March, 2024	31 st March, 2023
Deposit under MEFBS-2021	109.83	94.53
Total	109.83	94.53

Notes to Standalone Financial Statements

for FY 2023-24

20. NON-CURRENT LIABILITIES - PROVISIONS

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Provision for employee benefits		
Provision for gratuity	152.47	135.73
Provision for compensated absences	55.24	48.87
Total	207.71	184.60

21. DEFERRED TAX LIABILITIES (NET)

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Deferred Tax Liabilities		
On Depreciation	5,196.36	4,671.50
Sub Total	5,196.36	4,671.50
Deferred Tax Assets		
On Provision	714.68	701.74
On Disallowance as per IT Act	13.90	12.30
Sub Total	728.58	714.04
Net Total	4,467.78	3,957.46

Movement in deferred tax

(₹ in Lakh)

Particulars	Closing Balance 31-Mar-2023	Charge/Credit during the year 2023-24	Closing Balance 31-Mar-2024
Deferred Tax Assets			
Provision for Non Moving Stores	159.09	10.41	169.50
Provisions for Doubtful Debts	163.17	(74.97)	88.20
Provisions for Doubtful Adv / Claims	5.67	-	5.67
Provision for Contingencies & Warranty	198.62	28.42	227.04
AMTL Leave Provision	12.30	1.60	13.90
Provison for Others	27.69	-	27.69
OFB-Melt-IV Interest Differences (Net)	71.50	8.46	79.96
OFB-WPM Interest Differences (Net)	76.00	34.02	110.02
MSE Liaibility Unapaid	-	6.60	6.60
Total Assets	714.04	14.54	728.58
Deferred Tax Liability			
Depreciation	4,671.50	524.86	5,196.36
Total Liability	4,671.50	524.86	5,196.36
Net Liability	3,957.46	510.32	4,467.78

Notes to Standalone Financial Statements

for FY 2023-24

22. OTHER NON-CURRENT LIABILITIES

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Advances		
Advances from Customers	22,970.25	17,786.41
Others		
Other Liabilities - VSSC	54.72	54.72
Other Liabilities - OFB	43.00	43.00
Advances Others	64.57	64.57
Deferred Income	39,180.13	40,596.59
Total	62,312.67	58,545.29

23. CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Secured		
Loans repayable on demand		
From Banks		
Cash Credit	-	(0.37)
(By hypothecation of Raw materials, stock in process, finished good and book debts.)		
Unsecured		
From Banks		
Short Term Loans	24,500.00	30,000.00
Current Maturities of Long Term Debt	2,000.00	2,000.00
Total	26,500.00	31,999.63

24. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Micro & Small Enterprises	768.39	429.96
Others	11,228.91	14,147.74
Total	11,997.30	14,577.70

Balances in Trade Payables are subject to confirmation and/ or reconciliation.

Notes to Standalone Financial Statements

for FY 2023-24

Trade Payables ageing schedule

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	576.48	32.47	88.59	50.90	19.95	768.39
(ii) Others	3,242.78	7,636.03	175.24	134.06	40.80	11,228.91
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

25. CURRENT FINANCIAL LIABILITIES - OTHERS

(₹ in Lakh)

Particulars	As at	As at
	31 st March, 2024	31 st March, 2023
Earnest money deposit	393.63	489.18
Security Deposit	1,754.21	1,038.32
Liabilities to customers	1,357.47	1,016.47
Capital creditors	7,989.44	8,098.26
Employee payables	1,570.87	1,537.29
Unpaid Dividend *	13.71	12.43
Total	13,079.33	12,191.95

* This amount includes of ₹ 0.99 lakh (31-03-2023 - ₹ 1.26 lakh) towards Interim Dividend for the respective financial years, but not unpaid as per sec 124 of the Companies Act, 2013.

26. OTHER CURRENT LIABILITIES

(₹ in Lakh)

Particulars	As at	As at
	31 st March, 2024	31 st March, 2023
Advances received from customers	15,312.53	11,856.63
Liabilities for Customer Financed projects	502.69	502.69
Material Received on Loan - Others	4,250.75	3,790.65
Statutory liabilities	167.95	140.21
Total	20,233.92	16,290.18

27. CURRENT - PROVISIONS

(₹ in Lakh)

Particulars	As at	As at
	31 st March, 2024	31 st March, 2023
Provision for employee benefits		
Provision for compensated absences	305.14	265.23
Provision for gratuity	248.65	200.36
Provision for post retirement medical scheme	174.32	162.40
Provision for other employee benefits	1,157.21	1,466.99

Notes to Standalone Financial Statements

for FY 2023-24

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Other Provisions		
Provision for contingencies and warranty	902.08	789.18
Provision for Income Tax	55.93	40.09
Other provisions	110.04	110.04
Total	2,953.37	3,034.29

Movement in Provisions (Short term and Long term)

(₹ in Lakh)

Particulars	As at 01.04.2023	Additions	Utilization	Reversal	As at 31.03.2024
Compensated absences	314.10	311.51	265.23	0.00	360.38
Gratuity	336.09	265.39	200.36	0.00	401.12
Post retirement medical scheme	162.40	174.32	162.40	0.00	174.32
Contingencies and Warranty	789.18	112.90	0.00	0.00	902.08
Others	1577.03	420.00	729.78	0.00	1267.25
Total	3178.80	1284.12	1357.77	0.00	3105.15

28. REVENUE FROM OPERATIONS

(₹ in Lakh)

Particulars	For the Year Ended 31 st March, 2024	For the Year Ended 31 st March, 2023
Sale of Manufacturing Products		
Domestic	94,430.43	79,097.37
Export Sales	6,623.76	3,744.53
Sale of Services	2,064.58	2,145.70
Other Operating Revenue		
Sale of product scrap	4,148.68	2,206.54
Total	1,07,267.45	87,194.14

29. OTHER INCOME

(₹ in Lakh)

Particulars	For the Year Ended 31 st March, 2024	For the Year Ended 31 st March, 2023
Interest Income		
From Banks	-	33.26
From Others	551.79	556.43
Liquidated Damages	654.63	1,004.94
Net gain on sale of Fixed Assets	-	0.06
Income from Sale of Unserviceable Scrap	267.79	269.55
Excess Liabilities written back	577.78	695.78
Grant Income	864.67	930.58
Other miscellaneous income	76.86	287.54
Total	2,993.52	3,778.14

Notes to Standalone Financial Statements

for FY 2023-24

Details of other miscellaneous income

(₹ in Lakh)

Particulars	For the Year Ended 31 st March, 2024	For the Year Ended 31 st March, 2023
Sale of Application Forms (Personnel)	4.79	0.35
Sale of Tender Documents	-	-
Others	72.07	287.19
Total	76.86	287.54

30. COST OF MATERIAL CONSUMED

(₹ in Lakh)

Particulars	For the Year Ended 31 st March, 2024	For the Year Ended 31 st March, 2023
Cost of Material for manufactured products	52,347.25	39,117.67
Total	52,347.25	39,117.67

31. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

(₹ in Lakh)

Particulars	For the Year Ended 31 st March, 2024	For the Year Ended 31 st March, 2023
Opening Stock		
Work-in-progress	75,870.87	59,680.82
Finished Stock	175.11	124.99
Scrap	30,837.80	24,245.48
	1,06,883.78	84,051.29
Closing Stock		
Work-in-progress	66,870.49	75,870.87
Finished Stock	56.66	175.11
Scrap	47,453.67	30,837.80
	1,14,380.82	1,06,883.78
(Increase) / Decrease		
Work-in-progress	9,000.38	(16,190.05)
Finished Stock	118.45	(50.12)
Scrap	(16,615.87)	(6,592.32)
Total	(7,497.04)	(22,832.49)

32. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakh)

Particulars	For the Year Ended 31 st March, 2024	For the Year Ended 31 st March, 2023
Salaries & Wages		
Salaries & Wages	9,010.72	8,671.55
Leave Encashment	498.31	427.01
Directors remuneration	245.16	183.88

Notes to Standalone Financial Statements

for FY 2023-24

(₹ in Lakh)

Particulars	For the Year Ended 31 st March, 2024	For the Year Ended 31 st March, 2023
Contribution to Provident and other Funds		
Provident fund	750.42	701.64
Employees Gratuity	154.91	199.92
Leave salary and pension contribution	401.20	358.58
Staff Welfare & Training		
Workmen and staff welfare expense	2,322.39	2,039.27
Total	13,383.11	12,581.85

(i) Gratuity

Gratuity payable to eligible employees is administered by a separate Trust, which has taken a policy with LICGGF. The annual demand computed through actuarial valuation is charged to Statement of Profit and Loss and other comprehensive income.

Expenses Recognised during the period

(₹ in Lakh)

Particulars	2023-24	2022-23
In Income Statement	212.28	194.73
In Other Comprehensive Income	41.77	10.34
Net Liability	254.05	205.07

Assets and Liability (Balance Sheet Position)

(₹ in Lakh)

Particulars	2023-24	2022-23
Present Value of Obligation	3,022.77	2,934.50
Fair Value of Plan Assets	2,774.12	2,734.14
Surplus / (Deficit)	(248.65)	(200.36)
Effects of Asset Ceiling, if any	-	-
Net Assets / (Liability)	(248.65)	(200.36)

Changes in the Present Value of Obligation

(₹ in Lakh)

Particulars	2023-24	2022-23
Present Value of Obligation as at beginning	2,934.50	3,329.05
Current Service Cost	197.32	186.41
Interest Expense or Cost	219.08	239.52
Re-measurement (or Actuarial) (gain) / loss arising from:	-	-
- change in demographic assumptions	-	-
- change in financial assumptions	67.88	(62.35)
- experience variance (Actual Vs assumptions)	(35.20)	49.56
Past Service Cost	-	-
Effect of change in foreign exchange rates	-	-
Benefits Paid	(360.82)	(807.69)
Acquisition Adjustment	-	-
Effect of business combinations or disposals	-	-
Present Value of Obligation as at the end	3,022.77	2,934.50

Notes to Standalone Financial Statements

for FY 2023-24

Bifurcation of net liability

(₹ in Lakh)

Particulars	2023-24	2022-23
Current Liability (Short term)	-	-
Non-Current Liability (Long term)	248.65	200.36
Net Liability	248.65	200.36

Changes in the Fair Value of Plan Assets

(₹ in Lakh)

Particulars	2023-24	2022-23
Fair Value of Plan Assets as at the beginning	2,734.14	3,213.43
Investment Income	204.13	231.20
Employer's Contribution	205.76	120.34
Expenses	-	-
Employee's Contribution	-	-
Benefits Paid	(360.82)	(807.69)
Return on plan assets, excluding amount recognised in net interest expense	(9.09)	(23.14)
Acquisition Adjustment	-	-
Fair Value of Plan Assets as at the end	2,774.12	2,734.14

Expenses Recognised in the Income Statement

(₹ in Lakh)

Particulars	2023-24	2022-23
Current Service Cost	197.32	186.41
Past Service Cost	-	-
Loss / (Gain) on settlement	-	-
Expected return on Asset	-	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	14.96	8.32
Actuarial Gain / Loss	-	-
Expenses Recognised in the Income Statement	212.28	194.73

Other Comprehensive Income

(₹ in Lakh)

Particulars	2023-24	2022-23
Actuarial (gains) / losses		
- change in demographic assumptions	-	-
- change in financial assumptions	67.88	(62.36)
- experience variance (i.e. Actual experience vs assumptions)	(35.20)	49.56
- others	-	-
Return on plan assets, excluding amount recognized in net interest expense	9.09	23.14
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
Components of defined benefit costs recognised in other comprehensive income	41.77	10.34

Notes to Standalone Financial Statements

for FY 2023-24

Actuarial assumptions

(₹ in Lakh)

Particulars	2023-24	2022-23
Discount rate (per annum)	7.20%	7.45%
Salary growth rate (per annum)	8.00%	8.00%

Demographic assumptions

(₹ in Lakh)

Particulars	2023-24	2022-23
Mortality rate	100.00%	100.00%
Withdrawal rate (per annum)	Upto 3% based on age	Upto 3% based on age

Table of sample mortality rates from Indian Assured Lives Mortality 2012-14

Mortality (per annum)	Male	Female
Age		
20 years	0.092%	0.092%
25 years	0.093%	0.093%
30 years	0.098%	0.098%
35 years	0.120%	0.120%
40 years	0.168%	0.168%
45 years	0.258%	0.258%
50 years	0.444%	0.444%
55 years	0.751%	0.751%
60 years	1.116%	1.116%
65 years	1.593%	1.593%
70 years	2.406%	2.406%

Sensitivity analysis

(₹ in Lakh)

Particulars	31-Mar-24		31-Mar-23	
	Decrease	Increase	Decrease	Increase
Defined Benefit Obligation (Base)	3,022.77		2,934.50	
Discount Rate (- / + 1%)	3,326.02	2,766.42	3,201.24	2,708.02
(% change compared to base due to sensitivity)	10.0%	-8.5%	9.1%	-7.7%
Salary Growth Rate (- / + 1%)	2,855.40	3,194.00	2,790.38	3,086.70
(% change compared to base due to sensitivity)	-5.5%	5.7%	-4.9%	5.2%
Attrition Rate (- / + 1%)	2,961.15	3,071.68	2,873.53	2,982.75
(% change compared to base due to sensitivity)	-2.0%	1.6%	-2.1%	1.6%
Mortality Rate (- / + 10%)	3,021.26	3,024.26	2,933.01	2,935.98
(% change compared to base due to sensitivity)	0.0%	0.0%	-0.1%	0.1%

Notes to Standalone Financial Statements

for FY 2023-24

Expected cash flows over the next (valued on undiscounted basis):

	(₹ in Lakh)
1 year	364.08
2 to 5 years	1,174.14
6 to 10 years	1,030.59
More than 10 years	4,684.53

(ii) Leave obligations

The leave obligations cover the Company's liability for the earned leave. The retirement benefit relating to leave encashment is administered through a Group Leave Encashment Scheme with LIC of India. The annual demand computed through actuarial valuation is charged to Statement of Profit and Loss.

Bifurcation of net liability

	(₹ in Lakh)	
Particulars	2023-24	2022-23
Current Liability (Short term)	280.07	301.52
Non-Current Liability (Long term)	2,770.19	2,491.02
Net Liability	3,050.26	2,792.54

(iii) Pension

As per the Department of Defence Production, Ministry of Defence, GOI, Guidelines No.8(112)/2012/D(Coord/DDP) dt. 11.11.2013, the contribution to Pension Scheme has to be restricted to a maximum of 10% (7% with the approval of Board and 3% with the prior approval of the Ministry of Defence) of Basic+DA in a financial year.

The Current year contribution to pension fund has been paid @ 7% of Basic + DA in line with the MoD guidelines

33. FINANCE COST

	(₹ in Lakh)	
Particulars	For the Year Ended 31 st March, 2024	For the Year Ended 31 st March, 2023
Interest expense		
Cash Credit	30.56	105.44
Short Term Overdrafts	-	3.44
Interest expenses on Lease Liability	720.57	716.51
Interest - Others	30.91	0.27
Interest - Term Loan	2,675.47	1,747.55
Total	3,457.51	2,573.21

34. OTHER EXPENSES

	(₹ in Lakh)	
Particulars	For the Year Ended 31 st March, 2024	For the Year Ended 31 st March, 2023
Travelling Expenses		
Travelling and conveyance	229.00	282.39
Hire of cars	27.36	37.43
Communication Expenses		
Postage & telephone	37.05	42.70
Repairs & maintenance expenses		

Notes to Standalone Financial Statements

for FY 2023-24

(₹ in Lakh)

Particulars	For the Year Ended 31 st March, 2024	For the Year Ended 31 st March, 2023
Buildings	703.10	700.26
Plant and machinery	871.67	699.20
Others	245.67	198.45
Rent, rates & taxes		
Rates and taxes	6.82	8.70
Rent	33.22	39.40
Printing and stationery		
Printing and stationery	15.55	11.98
Office maintenance expenses		
Security guard charges	962.25	789.16
Administration expenses-Others	291.15	192.30
Power & fuel		
Power and fuel	8,778.99	10,081.45
Sub-contractor expenses		
Sub-contractor expenses	8,313.18	9,329.80
General expenses		
CSR Expenses	477.02	393.42
Bad debts written off	103.95	53.50
Fixed Assets written off	25.55	4.65
Sales schemes	1,382.56	2,079.67
Library books	0.01	0.05
News paper and journals	1.01	0.71
Membership fees	21.82	20.04
Training expenses	24.18	19.05
Entertainment/courtesy expenses	1.84	2.81
Hostel/guest house expenses net of income	32.84	33.53
Business promotion expenses	68.35	406.00
Directors sitting fees	8.49	8.35
Factory expenses	251.05	144.71
Advertisement	46.50	76.99
Water charges	230.41	197.96
Consumption of stores, loose tools and spare parts		
Consumption of stores, loose tools and spare parts	5,682.14	5,459.65
Insurance expenses		
Insurance	311.85	272.29
Professional charges		
Legal and professional fees	8.81	11.85
Internal Audit Fee	7.11	5.09
Consultancy charges	73.33	201.53
Contract professionals expenses	13.89	18.86
R& D Expenses		
R & D Contribution	2.36	30.37
Exchange fluctuation		
Exchange rate variance charged off	75.61	129.99
Auditors remuneration		
Auditor's remuneration	10.65	10.65
Finance & bank charges		
Bank charges	88.41	117.48
Provision for non moving inventories	41.35	138.98
Provision for Bad debts		
Provision for Doubtful Debts	-	291.84
Provision for Contingencies & Warranty		
Provision for Contingencies & Warranty	112.89	33.43
Total	29,618.99	32,576.67

Notes to Standalone Financial Statements

for FY 2023-24

Remuneration and other payments to the auditor

(₹ in Lakh)

Particulars	For the Year Ended 31 st March, 2024	For the Year Ended 31 st March, 2023
Auditor		
(a) Statutory Audit & Limited Review	9.25	9.25
(b) Tax Audit	1.40	1.40
(c) Other Services	-	-
Total	10.65	10.65

Details of Corporate Social Responsibility

(₹ in Lakh)

Particulars	For the Year Ended 31 st March, 2024	For the Year Ended 31 st March, 2023
Promoting Education	92.48	61.65
Promotion of Skill development and Women empowerment	112.82	-
Promotion of Health	251.27	207.63
Other Projects	20.45	124.14
TOTAL	477.02	393.42

Additional details of Corporate Social Responsibility (CSR)

(₹ in Lakh)

Sl. No.	Particulars	For the Year Ended 31 st March, 2024
(i)	Amount required to be spent by the company	454.68
(ii)	Amount of expenditure incurred	477.02
(iii)	Shortfall at the end of the year	0.00
(iv)	Total of previous years shortfall (For F.Y. 2022-23)	22.00
(v)	Reason for shortfall	No shortfall
(vi)	Nature of CSR activities	Promote Education, Skill development, Promote culture, Social and Sport activities, Promote health activities.
(vii)	Details of related party transactions	MIDHANI under CSR has envisaged to build a Primary Health Centre to provide medical services to the poor families residing in and around MIDHANI. The center shall cater to the basic needs of the patients by providing consultation, checkup, basic diagnostic tests & medicines at nominal charges. In F.Y. 2023-24, MIDHANI under CSR has spent an amount of Rs 110/- lakh towards manpower, organizing various camps, infrastructure development etc. Out of which Rs. 40/- lakh has been contributed to MPHCC Trust towards payment of salaries to the staff working for MPHCC.
(viii)	Movement in provision with respect to liability incurred by entering into a contractual liability	Nil

35. INCOME TAX EXPENSE

This note provides an analysis of the Company's income tax expense, shows amounts that are recognised directly in the equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax positions.

Notes to Standalone Financial Statements

for FY 2023-24

(a) Income tax expense

(₹ in Lakh)

Particulars	For the Year Ended 31 st March, 2024	For the Year Ended 31 st March, 2023
Current tax		
Current tax on profits for the year	3,446.15	5,609.16
Earlier year tax	2.65	15.26
	3,448.80	5,624.42
Deferred tax		
Decrease (increase) in deferred tax liabilities	(510.32)	(440.29)
Total income tax expense	3,959.12	6,064.71

(b) Reconciliation of tax expense and the accounting profit multiplied India's tax rate

(₹ in Lakh)

Particulars	For the Year Ended 31 st March, 2024		For the Year Ended 31 st March, 2023	
Profit before tax	-	13,054.18	-	21,644.58
Tax at Indian tax rate of 25.168%	-	3,285.47	-	5,447.50
Add:				
Depreciation under Companies Act	5,855.20	-	5,300.45	-
Disallowances under Sec 43B	-	-	-	-
Disallowance under Sec 43 B (h)	26.21	-	-	-
Provision for Doubtful Debts	(297.89)	-	291.84	-
Provision for non moving stores and spares	41.35	-	138.98	-
R&D expenditure	-	-	-	-
Provision for contingency & warranty	112.89	-	33.43	-
Provision for obsolete items	-	-	-	-
Provision for doubtful claims	-	-	-	-
CSR Expenses	477.02	-	393.42	-
OFB Deferred Exp (Net-off)	33.60	-	34.63	-
VSSC Deferred Exp (Net-off)	-	-	-	-
OFB-WPM Deferred Exp (Net off)	135.19	-	135.15	-
AMTL Leave Provision	6.37	-	5.10	-
Provision for Others	-	-	-	-
Provision for advance to suppliers	-	-	-	-
Others	-	-	(185.71)	-
	6,389.94	-	6,147.29	-
Less:				
Earlier years liability discharged in the current year	-	-	-	-
Donations 80G - Akshaya Patra Foundation	-	-	-	-
Depreciation as per IT Act	5,753.71	-	5,506.57	-
R & D weighted deductions	-	-	-	-
	5,753.71	-	5,506.57	-
Taxable Income	636.23	160.13	640.72	161.26
Tax Liability	-	3,445.60	-	5,608.76
Interest	-	0.55	-	0.40
Earlier Year Tax	-	2.65	-	15.26
MAT Credit Entitlement	-	-	-	-
Deferred Tax	-	510.32	-	440.29
Total	-	3,959.12	-	6,064.71

Notes to Standalone Financial Statements

for FY 2023-24

Financial instruments

36. Fair value measurements

A. Financial instruments by category

(₹ in Lakh)

Particulars	31 st March, 2024				31 st March, 2023			
	FVPL	FVOCI	Amortized Cost	Total	FVPL	FVOCI	Amortized Cost	Total
Financial assets								
Trade receivables	-	-	32,300.17	32,300.17	-	-	31,579.89	31,579.89
Cash and cash equivalents	-	-	1,661.37	1,661.37	-	-	1,441.54	1,441.54
Loans	-	-	-	-	-	-	-	-
Other financial assets	-	-	1,712.32	1,712.32	-	-	922.40	922.40
Total	-	-	35,673.86	35,673.86	-	-	33,943.83	33,943.83
Financial liabilities								
Borrowings	-	-	32,414.13	32,414.13	-	-	38,735.30	38,735.30
Trade payables	-	-	11,997.30	11,997.30	-	-	14,577.70	14,577.70
Lease Liabilities	-	-	10,850.37	10,850.37	-	-	10,129.80	10,129.80
Other financial liabilities	-	-	13,189.16	13,189.16	-	-	12,286.48	12,286.48
Total	-	-	68,450.96	68,450.96	-	-	75,729.28	75,729.28

Note : For the purpose of above abbreviations, FVPL - Fair value through profit and loss; FVOCI - Fair value through other comprehensive income; Amortized cost - Fair value through amortized cost.

- (1) Assets that are not financial assets (such as receivables from statutory authorities, export benefit receivables, prepaid expenses, advances paid and certain other receivables) as of March 31, 2024, March 31, 2023 respectively, are not included.
- (2) Other liabilities that are not financial liabilities (such as statutory dues payable, deferred revenue, advances from customers and certain other accruals) as of March 31, 2024, March 31, 2023 are not included."

(i) Fair value of financial asset and financial liabilities measured at amortized cost

The carrying amounts of trade receivables, trade payables, borrowings, cash and cash equivalents and other current financial liabilities are considered to be the same as their fair values, due do their short-term nature.

37. Financial risk management

Risk management framework

The Company has a Board approved Risk Management Policy and the Risks involved at the various processes in the Company are also being discussed in the internal Production Review Meetings and Corporate Management Committee Meetings. The identification of the risk elements faced by the company is listed out in Management Discussion and Analysis and also listed out in the form of SWOT analysis.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company has put in place all required internal controls and systems to meet all the canons of financial propriety. External Audit firms who were engaged to carry out internal audit, continue their efforts to ensure adequacy of such systems, controls and report thereon which were subject to periodical review by Audit Committee appointed by the Board.

Notes to Standalone Financial Statements

for FY 2023-24

The Board of Directors monitors the compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Company has exposure to the following risks arising from financial instruments:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables	Aging analysis	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Further quantitative disclosures are included throughout these financial statements.

i. Credit risk

a) Credit risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Company's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. Majority of trade receivables of the Company, originate from Government owned entities, which are not exposed to high risk, the Company is making specific provisions based on case to case reviews and approved by Board. Whereas, for other customers risk is measured using the expected credit loss provisional matrix and provision is recognized accordingly.

b) Provision for expected credit loss

The Company provides for expected credit loss based on the following :

Expected credit loss for loans, security deposits

The Company's loans and security deposits are high quality assets having negligible credit risk, hence expected credit loss have not been computed

Expected credit loss for trade receivables

c) Reconciliation of loss allowance provision - trade receivables (₹ in Lakh)

	(₹ in Lakh)
Loss allowance on 31st March, 2023	2,150.63
Changes in loss allowance	(59.64)
Loss allowance on 31st March, 2024	2,090.99

Expected credit loss on trade receivables has been disclosed in note 11

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

Notes to Standalone Financial Statements

for FY 2023-24

At March 31, 2024, the maximum exposure to credit risk for trade receivables by geographic region was as follows.

Particulars	Carrying amount (₹ in Lakh)	
	March 31, 2024	March 31, 2023
India	33,423.41	32,515.18
Outside India	967.75	1,215.34
	34,391.16	33,730.52

At March 31, 2024, the maximum exposure to credit risk for trade receivables by type of counterparty was as follows:

Particulars	Carrying amount (₹ in Lakh)	
	March 31, 2024	March 31, 2023
Government, Government undertakings and other secured debts	32,353.36	32,263.13
Others	2,037.80	1,467.39
	34,391.16	33,730.52

Impairment

Majority of trade receivables originate from Government owned entities, which are not exposed to high risk, the Company is making specific provisions based on case to case reviews and approve by Board. Whereas, for private customers, provision is determined using expected credit loss provisional matrix.

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 1,647.66 Lakh at March 31, 2024 (March 31, 2023: ₹ 1,429.11 Lakh).

The Company is investing in Fixed Deposits with various banks empanelled by the Investment Committee which is approved by the Board. All such deposits are made only with the approval of the Investment Committee. Further, management believes that cash and cash equivalents are of low risk in nature and hence no impairment has been recognized.

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Company ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Company maintains the following lines of credit.

Notes to Standalone Financial Statements

for FY 2023-24

Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

(₹ in Lakh)

Contractual maturities of financial liabilities	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 year to 2 years	Between 2 years to 5 years	More than 5 Years	Total
31st March, 2024							
Non derivatives							
Borrowings (Current and Non-current)	500.00	25,000.00	1,000.00	2,000.00	3,914.13		32,414.13
Trade payables	11,793.44	100.76	103.10				11,997.30
Lease Liabilities	2,725.88	8.18	16.37	35.69	178.20	7,886.05	10,850.37
Other financial liabilities	1,584.58	10,137.28	1,357.47			109.83	13,189.16
Total non-derivative liabilities	16,603.90	35,246.22	2,476.94	2,035.69	4,092.33	7,995.88	68,450.96

iii. Market risk

(a) Foreign currency risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Since majority of the company's operations are being carried out in India and since all the material balances are denominated in its functional currency, the company does not carry any material exposure to currency fluctuation risk.

(b) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The Company's external borrowings carries a fixed interest rate of 7.02% per annum, hence, no interest rate risk has been determined.

38. Capital Management

(a) Risk management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. In comparison the weighted average interest expense on interest-bearing borrowings (excluding liabilities with imputed interest) was 7.02 percent (2023: 7.25 percent).

Notes to Standalone Financial Statements

for FY 2023-24

The Company's debt to adjusted capital ratio at the end of the reporting period was as follows:

(₹ in Lakh)

Particulars	As at 31 st March, 2024
Total liabilities	1,58,626.41
Less : Cash and cash equivalent	1,647.66
Adjusted net debt	1,56,978.75
Total equity	1,31,944.30
Less : Hedging reserve	-
Adjusted equity	1,31,944.30
Adjusted net debt to adjusted equity ratio	1.19

39. Operating segments

The Company is in the business of manufacturing of super alloys and other special metals. As the Company is engaged in defence production, exemption was granted from applicability of Accounting Standard on Segment reporting under sec 129 of Companies Act, 2013 vide Notification dated 23rd February, 2018 of Ministry of Corporate Affairs.

40. Related party transactions

The President of India has an ownership interest of 74.00 %. MIDHANI is thus a Government entity under the administrative control of Ministry of Defence (MoD) and is exempt from detailed disclosures as required under Ind AS 24 with respect to related party transactions with Government and Government related entities.

Transactions with key management personnel

Key management personnel compensation

(₹ in Lakh)

Name of the party	31 st March, 2024					31 st March, 2023
	Salaries & wages	PF & EPS	Gratuity	Leave encashment	Total	Total
(a) Dr. Sanjay Kumar Jha, C&MD	73.05	7.06	15.95	-	96.06	81.77
(b) Shri N Gowri Sankara Rao, Director (F)	55.65	5.88	-	5.63	67.16	54.27
(c) Shri MuthuKumar, Director (P & M)	58.11	7.69	-	16.13	81.93	47.84
(d) Shri Paul Antony, CS	17.95	2.14	-	3.02	23.11	19.33
Total	204.76	22.77	15.95	24.78	268.26	203.21

Joint Ventures:

During the year the company has made the following transactions with the JVs

(₹ in Lakh)

Name of Joint Venture	Nature of Transaction	Year ended 31.03.2024	Year ended 31.03.2023
Utkarsha Aluminium Dhatu Nigam Limited	Equity contribution	-	-

Notes to Standalone Financial Statements

for FY 2023-24

Balance at the end of reporting day

(₹ in Lakh)

Name of Joint Venture	Nature of Transaction	Year ended 31.03.2024	Year ended 31.03.2023
Utkarsha Aluminium Dhatu Nigam Limited	Investment in equity	2,000.00	2,000.00

41. Contingent liabilities and commitments (to the extent not provided for)

Particulars	31 st March, 2024 (₹ in Lakh)	31 st March, 2023 (₹ in Lakh)
(i) Contingent liabilities		
Claims against the company not acknowledged as debt	18,322.89	10,887.33
Bank Guarantees	3,225.77	2,710.14
Letter of credit outstanding	6,361.34	7,567.48
Provisional Liquidated Damages on unexecuted customer order where the delivery date has expired	3,224.00	3,624.00
	31,134.00	24,788.95

Particulars	31 st March, 2024 (₹ in Lakh)	31 st March, 2023 (₹ in Lakh)
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Capital commitments)	3,465.43	7,576.31
	3,465.43	7,576.31

42. Earnings per share (EPS)

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

i. Profit attributable to Equity holders of company

Particulars	31 st March, 2024	31 st March, 2023
Profit attributable to equity holders of the Company (₹ in Lakh)	9,126.32	15,587.61
Weighted average number of equity shares outstanding during the period	18,73,40,000	18,73,40,000
Face value of share (₹)	10	10
Earnings per share basic and diluted (₹ per share)	4.87	8.32

43. Imported Consumption

Particulars	31 st March, 2024 (₹ in Lakh)	31 st March, 2023 (₹ in Lakh)
Raw Material	39,689.87	32,582.15
Consumables and Spares	484.88	518.06
Total	40,174.75	33,100.21

Notes to Standalone Financial Statements

for FY 2023-24

44. The Company has used the borrowings from banks for the specific purpose for which it was taken as at 31st March, 2024 and 31st March, 2023.

45. Additional Regulatory Information

(i) **Title deeds of Immovable Properties not held in name of the Company (other than properties where the Company is the lessee and the leasee agreements are duly executed in favour of the lessee)**

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (Rs. in Lakh)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
PPE	Land	128.82	DMRL, Ministry of Defence. However, in some land award proceedings, Midhani's name is mentioned as Super Alloy Plant at DMRL.	No	Since 1975/1977/1985/ 1986	Conveyance Deed for 275 Acres and 35 Guntas of land acquired which are through various Allotment/Award Letters/GO's are yet to be executed in the name of the Company. Most of them are allotted/granted by the undivided Govt. of AP earlier. In the said Grant proceedings, Midhani is mentioned as Super Alloy Plant of DMRL (Defence Organization). Further, out of this 1.5 Acres land is under dispute on account of unauthorized occupancy by third party.
	Building	-	-	-	-	-
Investment Property	Land					
	Building				Not Applicable	
PPE retired from active use and held for disposal	Land					
	Building				Not Applicable	
Others					Not Applicable	

(ii) During the year, the Company has not revalued its Property, Plant and Equipment and Intangible Assets.

(iii) The Company has not granted Loans or Advances in the nature of loans to Promoters, Directors, KMP, and the related parties as defined under Companies Act, 2013, either severally or jointly with any other person.

(iv) **Capital-Work-in Progress (CWIP) ageing schedule.**

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	2,489.86	4,999.68	14.00	802.21	8,305.75
Projects temporarily suspended	-	-	-	-	-

Notes to Standalone Financial Statements

for FY 2023-24

- (v) The quarterly returns or statements of current assets filed by the Company with banks where the Company has borrowings as on 31st March, 2024 are in agreement with the books of accounts.
- (vi) The Company has not made any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (vii) The Company has created or modified the charges with Registrar of Companies (ROC) within the statutory period as specified in the Companies Act, 2013.
- (viii) The Company has no subsidiary hence Section 2 (87) not applicable.

(ix) Analytical Ratios

Ratio	Numerator	Denominator	31 st March, 2024	31 st March, 2023	% of variance	Reason for variance (For more than 25 %)
Current Ratio	Current Assets	Current Liabilities	2.28	2.18	4.59%	-
Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.25	0.30	-16.67%	-
Debt Service Coverage Ratio	EBITDA	Debt service(Interest & Principal repayments)	0.63	0.71	-11.27%	-
Return on Equity (%)	Net profit after tax	Average Shareholder's Equity	7.01%	12.59%	-44.32%	Reduction in Profit After Tax
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	0.75	0.57	31.58%	Increase in Raw Material Cost
Trade Receivable Turnover Ratio	Net Credit Sales	Average Trade Receivables	3.36	2.80	20.00%	-
Trade Payable Turnover Ratio	Net Credit Purchases	Average Trade Payables	4.44	2.26	96.46%	Increase in Raw Material purchase
Net Capital Turnover Ratio	Net Sales	Working capital	1.08	0.93	16.13%	-
Net Profit Ratio (%)	Net profit after tax	Net Sales	8.51%	17.88%	-52.40%	Reduction in Profit After Tax
Return on Capital Employed (%)	EBIT	Capital Employed	11.63%	17.39%	-33.12%	Reduction in Profit After Tax
Return on Investment (%)			Not applicable			

46. As at 31st March, 2024, the company does not have any outstanding Commercial Paper and therefore, the disclosure requirements as per updated SEBI circular: SEBI/HO/DDHS/P/CIR/2021/613 dated 13th April, 2022 on "Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper", information as required under regulation 52(4) of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 is not applicable.

Notes to Standalone Financial Statements

for FY 2023-24

- 47.** The Company has leases for various assets referred to in Note 3 of financial statements. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Company classifies its right-of-use assets in a consistent manner to its Property, plant and equipment (Refer Note 3) The maturity analysis of Contractual Cash flows of Lease Liabilities is disclosed at Note 37(ii) of the financial statements."
- 48.** The previous period figures have been regrouped/reclassified, wherever necessary to conform to the current presentation.

Subject to our report of even date

for **GANDHI & GANDHI**
Chartered Accountants
Firm's registration no. 000849S

Sd/-
CA Rama Mohan Giri
Partner
Membership No.29478

Place: Hyderabad
Date: 29-05-2024

for and on behalf of the Board of Directors

Sd/-
Dr. Sanjay Kumar Jha
Chairman & Managing Director
DIN: 07533036

Sd/-
Shri. Gowri Sankara Rao Naramsetti
Director (Finance)
DIN: 08925899

Sd/-
Shri Paul Antony
Company Secretary
Memb. No.A29037

Independent Auditor's Report

To
The Members of
Mishra Dhatu Nigam Limited
Hyderabad.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Mishra Dhatu Nigam Limited** ("the Company") and its joint controlled entity, which comprise the Balance Sheet as at 31st March, 2024, Statement of Profit and Loss (including comprehensive income), Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('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 the accounting principles generally accepted in India, of the consolidated state of affairs of the company and its joint controlled entity as at 31st March, 2024, of consolidated profit,

total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the consolidated financial statements in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the consolidated 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 ("ICAI") of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters that we have identified in the current year are as follows:

Key Audit matter	How the matter was addressed in our audit
<p>i) Revenue Recognition:</p> <p>Refer Accounting Policy Note No.2.3 and Note No. 28 to the standalone financial statements.</p> <p>Revenue Recognition was identified as a key audit matter as the Company as well as its external stakeholders focus on Revenue as a key performance indicator. This could create an incentive for revenue to be overstated or recognized before control has been transferred. The standard on Revenue establishes a comprehensive framework for determining when, how and under what conditions Revenue could be recognized. Accordingly,</p>	<p>Following audit procedures were performed, considering the significance of the matter, amongst others to obtain sufficient audit evidence:</p> <ol style="list-style-type: none"> 1. Evaluated the design of key controls and the operating effectiveness of the relevant key controls with respect to revenue recognition on selected transactions. 2. Examined whether the basis of recognition of revenue is in accordance with the applicable accounting standards.

Key Audit matter	How the matter was addressed in our audit
<p>this involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation, the appropriateness of the basis used to measure revenue recognition.</p>	<ol style="list-style-type: none"> 3. Checked the underlying documentation to verify that the control and ownership has been transferred to the customer on sale. 4. Verified whether the company has instituted adequate cut off procedures in relation to sales. 5. Carried out analytical procedures on revenue recognized during the year to identify unusual variances, if any. <p>Our audit approach did not reveal any non-compliance with the company's declared accounting policies, GAAP and Ind AS.</p>
<p>ii) Inventory:</p> <p>Refer Accounting Policy No.2.8, Note No. 10 and 31 to the standalone financial statements.</p> <p>Inventory was identified as a key audit matter as the Company as well as its external stakeholders focus on Inventory as a key financial and operational indicator. This could create an incentive for inventory to be overstated. Inventory valuation involves certain key managerial judgements including accounting estimates that have been identified as having high estimation uncertainty in measuring inventory valuation.</p>	<p>Following audit procedures were performed, considering the significance of the matter, amongst others to obtain sufficient audit evidence:</p> <ol style="list-style-type: none"> 1. Evaluated the design of key controls and the operating effectiveness of the relevant key controls with respect to Inventory. 2. Review of physical verification of inventory with the company and held by Job workers. 3. For inventory held with Job Workers, wherever physical verification was not conducted, verified confirmations received by management at the year end. 4. Ensured that appropriate adjustments are made to inventory wherever variances were observed in physical verification and in the review of external confirmations. 5. Examined the inventory valuation policies and methods used for its appropriateness and compliance with the applicable accounting standards. 6. Substantive checking of inventory records to ensure compliance with the relevant accounting policies adopted. 7. Examined whether the company has instituted appropriate cut off procedures for recognition of inventory. 8. Performed analytical review procedures in relation to inventory. <p>Our audit approach did not reveal any non-compliance with the company's declared accounting policies, GAAP and Ind AS.</p>
<p>iii) Consumption of Raw Material</p> <p>Refer Note No. 30 to standalone financial statements.</p> <p>Cost of material consumed is identified as a key audit matter as the Company as well as its external stakeholders focus on Inventory as a key operational indicator. Cost of material consumed is a substantial portion of the total production costs, and the same is a significant part of total expense for the Company.</p>	<p>Following audit procedures were performed, considering the significance of the matter, amongst others to obtain sufficient audit evidence:</p> <ol style="list-style-type: none"> 1. Evaluated the design of key controls and the operating effectiveness of the relevant key controls with respect to procurement, issues, consumption, allocation, recording and recognition of Inventory in respect of Raw Material, reusable scrap and WIP.

Key Audit matter	How the matter was addressed in our audit
<p>Given the complexity involved in production processes, gap between input and output, there is a risk of costs may not be accurately ascertained, allocated or recorded that could lead to potential misstatements.</p>	<ol style="list-style-type: none"> 2. Substantive checking of material procurement and its recording to ensure compliance with the relevant accounting policies adopted and the applicable accounting standards. 3. Substantive checking of recording consumption and allocation to WIP to ensure compliance with the relevant accounting policies adopted. 4. Substantive checking of inventory records to ensure compliance with the relevant accounting policies adopted. 5. Performed analytical review procedures in relation to inventory consumption. <p>Our audit approach did not reveal any non-compliance with the company's declared accounting policies, GAAP and Ind AS.</p>

Emphasis of Matter

We draw attention to the following matters in the Notes to the consolidated financial statements:

1. Note No. 9 (Other Non-Current Assets), Note No.11 (Current Financial Assets Trade Receivables), Note No. 14 (Current Financial Assets - Others), Note No. 15 (Other Current Assets), Note No. 22 (Other Non-current Liabilities), Note No. 24 (Current Financial Liabilities - Trade Payables), Note No. 25 (Current Financial Liabilities Others) and Note No. 26 (Other Current Liabilities) to the consolidated financial statements are subject to receipt of confirmation of balances/reconciliation.

Our opinion on the consolidated financial statements is not modified in respect of the above matters.

Information other than the consolidated financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Director's Report including Annual Report on CSR Activities, Management Discussion & Analysis Report, Business Responsibility Report, Report on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo, Report on Corporate Governance annexed thereto, Shareholder Information and other information contained in Annual Report but does not include the consolidated financial statements and our report thereon. These reports are expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the other information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's responsibility for the consolidated financial statements

The Company's board of directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the company including its jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. The respective board of directors of the company and its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection

and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Company and its jointly controlled entity, as aforesaid.

In preparing the consolidated financial statements, the respective management of the company and its jointly controlled entity are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management of the company or the jointly controlled entity either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the company and its jointly controlled entity are also responsible for overseeing the Company's financial reporting process of each company and of the joint controlled entity.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 control 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.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its jointly controlled entity 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 consolidated 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 and its jointly controlled entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities of the Company and its jointly controlled entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity included in.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated financial statements.

We communicate with those charged with governance of the company and such other jointly controlled entity included in the consolidated financial statements 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 provided those charged with governance of the Company 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 of the company and such jointly controlled entity included in the consolidated financial statements, we determine those matters that were of most significance in the audit of the consolidated 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.

Other Matters

The accompanying consolidated financial statements include the Company's share of Net Profit of ₹ 51.86 Lakh for the year ended March 31, 2024, as considered in consolidated financial statements, in respect of M/s. Utkarsha Aluminium Dhatu Nigam Limited, a jointly controlled entity, whose financial statements have not been audited by us. The financial statements have been audited by other auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled entity and our report in terms of sub section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid joint venture, is based solely on the report of other auditor.

Our opinion on the consolidated financial statements, and our "Report on Other Legal and Regulatory Requirements" below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and financial statements certified by the Board of Directors.

Report on other legal and regulatory requirements

1. With respect to the matter of paras 3 (xxi) of the Companies (Auditor's Report) Order 2020, we report that there are no qualification or adverse remarks in the CARO report of the company and the jointly controlled entity, based on the CARO report issued by us and the auditor of such jointly controlled entity for the year ended 31st March 2024.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of other auditor;
 - c) The consolidated balance sheet, the consolidated statement of profit and loss, consolidated statement of changes in equity and the consolidated cash flow statement dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) In our opinion, the aforesaid consolidated financial statements comply with the IND AS specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e) As per Section 164(2) of the Act regarding disqualification of directors is not applicable to the Company by virtue of Notification No. G.S.R. No.463 (E) dated 05.06.2015, Government companies are exempt from the applicability of the provisions of section 164(2) of the Act and on the basis of the reports of the statutory auditor of its jointly controlled entity incorporated in India, none of the director of the jointly controlled entities is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act;
 - 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 A". 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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
 - a. The Company and its jointly controlled entity have pending litigations, the liabilities in respect of which is either provided for or disclosed

as contingent liabilities - Refer Note 41 of the Notes on accounts to the consolidated financial statements. The company has disclosed the impact of these pending litigations on the consolidated financial position of the Company including its jointly controlled entity is subject to their judicial outcome;

- b. The Company including its jointly controlled entity did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company or its jointly controlled entity incorporated in India; and
- d. (i) The respective managements of the company and its jointly controlled entity which are companies incorporated in India have represented to us and the other auditor of such jointly controlled entity that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company or its jointly controlled entity to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company or jointly controlled entity ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (ii) The respective managements of the company and its jointly controlled entity

have represented, to us and other auditor of such jointly controlled entity that, to the best of its knowledge and belief, no funds have been received by the company or its jointly controlled entity from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company or jointly controlled entity shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- (iii) Based on such audit procedures as were considered reasonable and appropriate in the circumstances nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- h) Based on our examination and the report of Auditor of Jointly controlled entity, the company and its jointly controlled entity have used accounting software for maintaining their books of account which has a feature of recording audit trail (edit log) and the same has operated throughout the year. Further, there were no instances of audit trail feature being tampered with.

Gandhi & Gandhi
Chartered Accountants

Sd/-

Rama Mohan Giri

Partner

Mem No. 29478

Firm Reg No. 000849S

UDIN: 24029478BKBEMC2629

29th May, 2024

Annexure “A”

to the Independent Auditor’s Report

Annexure to the Independent Auditor’s Report on the Consolidated Financial Statements for the year ended 31st March, 2024 of Mishra Dhatu Nigam Limited

(Referred to in paragraph 2 (f) under ‘Report on other legal and regulatory requirements’ section of our report to the Members of Mishra Dhatu Nigam Limited for the year 23-24)

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”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls over financial reporting of **MISHRA DHATU NIGAM LIMITED** (hereinafter referred to as (“the Company”) and considered the auditors’ reports on Internal Financial Controls over financial reporting of its jointly controlled entity, which are companies incorporated in India, as of that date.

The financial statements of the jointly controlled entity have been audited by other auditor whose reports has been furnished to us and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled entity, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to this jointly controlled entity, is based solely on the reports of the other auditor.

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the jointly controlled entity, which are companies incorporated in India, is based on the corresponding report of the other auditor of such company.

Management’s responsibility for internal financial controls

The respective board of directors of the Company and jointly controlled entity incorporated in India are 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, 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.

Auditors’ 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 were 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 in the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated 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

- i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion

or improper management of 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 and according to the information and explanations given to us, the Company and its jointly controlled entity, which are incorporated in India, have, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2014, 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.

Gandhi & Gandhi
Chartered Accountants

Sd/-

Rama Mohan Giri

Partner

Mem No. 29478

Firm Reg No. 000849S

UDIN: 24029478BKBEMC2629

29th May, 2024

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MISHRA DHATU NIGAM LIMITED, HYDERABAD FOR THE YEAR ENDED 31 MARCH 2024

The preparation of consolidated financial statements of **Mishra Dhatu Nigam Limited, Hyderabad** 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) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) 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 29 May 2024.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of **Mishra Dhatu Nigam Limited, Hyderabad** for the year ended 31 March 2024 under section 143(6)(a) read with section 129(4) of the Act. **We conducted a supplementary audit of the financial statements of Mishra Dhatu Nigam Limited, Hyderabad but did not conduct supplementary audit of the financial statements of Utkarsha Aluminium Dhatu Nigam Limited, Hyderabad for the year ended on that date.** 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 the statutory auditors' report under section 143(6)(b) of the Act.

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

Rajesh Ranjan
(Rajesh Ranjan)

Principal Director of Audit, Defence - Commercial

**Place: Bengaluru
Date: 24 July 2024**

Consolidated Balance Sheet

as at 31st March, 2024

(₹ in Lakh)

Particulars	Note No.	As at 31 st March, 2024	As at 31 st March, 2023
ASSETS:			
Non-current assets			
Property, Plant and Equipment	3	1,02,777.80	1,01,087.21
Capital work-in-progress	5	8,305.75	7,964.40
Other Intangible assets	4	373.16	463.00
Financial Assets			
(i) Investments	6	2,182.15	2,130.29
(ii) Loans	7	-	-
Non current tax assets (Net)	8	-	52.88
Other non-current assets	9	195.19	228.77
Total Non-Current Assets		1,13,834.05	1,11,926.55
Current assets:			
Inventories	10	1,30,971.81	1,22,484.37
Financial Assets			
(i) Trade receivables	11	32,300.17	31,579.89
(ii) Cash and cash equivalents	12	1,647.66	1,429.11
(iii) Bank balances [other than (ii) above]	13	13.71	12.43
(iv) Others	14	1,712.32	922.40
Other current assets	15	10,063.03	17,925.95
Total Current Assets		1,76,708.70	1,74,354.15
Total Assets		2,90,542.75	2,86,280.70
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	16	18,734.00	18,734.00
Other Equity	17	1,13,182.34	1,09,805.60
Total Equity		1,31,916.34	1,28,539.60
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	18	5,914.13	6,735.67
(ia) Lease Liabilities		8,099.94	8,132.68
(ii) Others	19	109.83	94.53
Provisions	20	207.71	184.60
Deferred tax liabilities (net)	21	4,467.78	3,957.46
Other non-current liabilities	22	62,312.67	58,545.29
Total Non-current liabilities		81,112.06	77,650.23
Current Liabilities			
Financial liabilities			
(i) Borrowings	23	26,500.00	31,999.63
(ia) Lease Liabilities		2,750.43	1,997.12
(ii) Trade payables	24		
(A) Micro enterprises and Small Enterprises		768.39	429.96
(B) Other than Micro enterprises and Small enterprises		11,228.91	14,147.74
(iii) Others	25	13,079.33	12,191.95
Other current liabilities	26	20,233.92	16,290.18
Provisions	27	2,953.37	3,034.29
Total Current Liabilities		77,514.35	80,090.87
Total Equity and Liabilities		2,90,542.75	2,86,280.70

The accompanying notes 1 to 50 form an integral part of the financial statements.
Subject to our report of even date

for **GANDHI & GANDHI**
Chartered Accountants
Firm's registration no. 000849S

Sd/-
CA Rama Mohan Giri
Partner
Membership No.29478

Place: Hyderabad
Date: 29-05-2024

for and on behalf of the Board of Directors

Sd/-
Dr. Sanjay Kumar Jha
Chairman & Managing Director
DIN: 07533036

Sd/-
Shri. Gowri Sankara Rao Naramsetti
Director (Finance)
DIN: 08925899

Sd/-
Shri Paul Antony
Company Secretary
Memb. No.A29037

Consolidated Statement of Profit and Loss

for the Period ended 31st March, 2024

(₹ in Lakh)

Particulars	Note No.	For the Year Ended 31 st March, 2024	For the Year Ended 31 st March, 2023
Income			
Revenue From Operations	28	1,07,267.45	87,194.14
Other Income	29	2,993.52	3,778.14
Total Income		1,10,260.97	90,972.28
Expenses			
Cost of material consumed	30	52,347.25	39,117.67
Change in inventories of finished goods, work-in-progress and stock-in-trade	31	(7,497.04)	(22,832.49)
Employee benefits expense	32	13,383.11	12,581.85
Finance Costs	33	3,457.51	2,573.21
Depreciation and amortization expense	3, 4	5,855.20	5,300.45
Other expenses	34	29,618.99	32,576.67
Total Expenses		97,165.02	69,317.36
Profit / (Loss) before exceptional items and tax		13,095.95	21,654.92
Exceptional Items - Income / (Expense)		-	-
Share of Profit / (Loss) of Joint Venture		51.86	38.84
Profit / (Loss) before tax		13,147.81	21,693.76
Tax expense			
Current Tax	35	3,456.66	5,611.76
Earlier Year Tax		2.65	15.26
MAT Credit Entitlement		-	-
Deferred Tax		510.32	440.29
Profit / (Loss) for the period		9,178.18	15,626.45
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		(41.77)	(10.34)
(ii) Income tax relating to items that will not be reclassified to profit or loss		10.51	2.60
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
C Share of other comprehensive income of joint venture		-	-
Other comprehensive income for the year net of tax		(31.26)	(7.74)
Total Comprehensive Income for the period		9,146.92	15,618.71
(Comprising Profit / (Loss) and Other Comprehensive Income for the period)			
Earning per equity share (Amount in ₹)			
Basic (₹)		4.90	8.34
Diluted (₹)		4.90	8.34
Weighted average number of shares (Nos.) (Basic & Diluted)		18,73,40,000	18,73,40,000

The accompanying notes 1 to 50 form an integral part of the financial statements.
Subject to our report of even date

for **GANDHI & GANDHI**
Chartered Accountants
Firm's registration no. 000849S

Sd/-
CA Rama Mohan Giri
Partner
Membership No.29478

Place: Hyderabad
Date: 29-05-2024

for and on behalf of the Board of Directors

Sd/-
Dr. Sanjay Kumar Jha
Chairman & Managing Director
DIN: 07533036

Sd/-
Shri. Gowri Sankara Rao Naramsetti
Director (Finance)
DIN: 08925899

Sd/-
Shri Paul Antony
Company Secretary
Memb. No.A29037

Consolidated Statement of Changes In Equity

as at 31st March, 2024

A. Equity Share Capital

(1) As at 31st March, 2024

(₹ in Lakh)

Balance as at 01 st April, 2023	Changes in Equity Share Capital due to prior period errors	Restated balance as at 01 st April, 2023	Changes in share capital during the F.Y. 2023-24	Balance as at 31 st March, 2024
18,734.00	-	18,734.00	-	18,734.00

(2) As at 31st March, 2023

(₹ in Lakh)

Balance as at 01 st April, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance as at 01 st April, 2022	Changes in share capital during the F.Y. 2022-23	Balance as at 31 st March, 2023
18,734.00	-	18,734.00	-	18,734.00

B. Other Equity

(1) As at 31st March, 2024

(₹ in Lakh)

Particulars	Reserves and Surplus		Other Comprehensive Income	Total Other Equity
	Retained Earnings	General Reserve	Other items of Other Comprehensive, Income	
Opening Balance as at 1st April, 2023	9,843.98	99,875.87	85.75	1,09,805.60
Changes in accounting policy or prior period errors				-
Restated balance as at 1st April, 2023	9,843.98	99,875.87	85.75	1,09,805.60
Profit for the Period	9,178.18			9,178.18
Remeasurement of the net defined benefit liability / asset, net of tax effect			(31.26)	(31.26)
Dividends	(5,770.18)			(5,770.18)
Transfer to General Reserve	(6,600.00)	6,600.00		-
Balance as at 31st March, 2024	6,651.98	1,06,475.87	54.49	1,13,182.34

Consolidated Statement of Changes In Equity

as at 31st March, 2024

(2) As at 31st March, 2023

(₹ in Lakh)

Particulars	Reserves and Surplus		Other Comprehensive Income	Total Other Equity
	Retained Earnings	General Reserve	Other items of Other Comprehensive Income	
Opening Balance as at 1st April, 2022	10,249.92	89,875.87	93.49	1,00,219.28
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance as at 1st April, 2022	10,249.92	89,875.87	93.49	1,00,219.28
Profit for the Period	15,626.45			15,626.45
Remeasurement of the net defined benefit liability / asset, net of tax effect			(7.74)	(7.74)
Dividends	(6,032.39)			(6,032.39)
Dividend Distribution Tax				-
Transfer to General Reserve	(10,000.00)	10,000.00		-
Balance as at 31st March, 2023	9,843.98	99,875.87	85.75	1,09,805.60

The accompanying notes 1 to 50 form an integral part of the financial statements.

Subject to our report of even date

for **GANDHI & GANDHI**
Chartered Accountants
Firm's registration no. 000849S

Sd/-
CA Rama Mohan Giri
Partner
Membership No.29478

Place: Hyderabad
Date:29-05-2024

for and on behalf of the Board of Directors

Sd/-
Dr. Sanjay Kumar Jha
Chairman & Managing Director
DIN: 07533036

Sd/-
Shri. Gowri Sankara Rao Naramsetti
Director (Finance)
DIN: 08925899

Sd/-
Shri Paul Antony
Company Secretary
Memb. No.A29037

Consolidated Statement of Cash Flow

for the Period ended 31st March, 2024

(₹ in Lakh)

Particulars	For the Year Ended 31 st March, 2024	For the Year Ended 31 st March, 2023
Cash flows from operating activities		
Profit/(loss) for the year (before tax)	13,147.81	21,693.76
Adjustments for:		
Share of Profit / Loss of Joint Venture	(51.86)	(38.84)
Depreciation expense	5,855.20	5,300.45
Finance costs	2,736.94	1,856.70
Interest on Lease Liability	720.57	716.51
Interest income	(551.79)	(589.69)
Deferred Income from customer funded assets/Grant	(864.67)	(930.58)
Other Comprehensive Income	(41.77)	(10.34)
Profit / Loss on sale of Fixed Assets	25.55	4.59
	20,975.98	28,002.56
Working capital adjustments:		
(Increase) decrease in inventories	(8,487.44)	(13,335.21)
(Increase) decrease in trade receivables and loans	(720.28)	(947.47)
(Increase) decrease in other financial assets	(789.92)	33.99
(Increase) decrease in other non-current assets	-	-
(Increase) decrease in other current assets	7,896.82	2,690.09
Increase (decrease) in trade payables	(2,580.40)	(1,658.83)
Increase (decrease) in other financial liabilities	1,011.50	(382.09)
Increase (decrease) in provisions	(73.65)	(118.50)
Increase (decrease) in non-current liabilities	3,767.38	(5,719.43)
Increase (decrease) in other current liabilities	3,943.74	(6,897.00)
Cash generated from operating activities	24,943.73	1,668.11
Income tax paid (net)	(3,380.08)	(5,209.33)
Net cash from/(used in) operating activities (A)	21,563.65	(3,541.22)
Cash flow from investing activities		
Acquisition of property, plant and equipment (Net)	(7,906.44)	(7,285.29)
Deferred Income from customer funded assets/grant	864.67	930.58
Profit / Loss on sale of Fixed Assets	(25.55)	(4.59)
Investment in other projects	-	-
Interest received	551.79	804.32
Investment in fixed deposits	-	5,260.00
Net cash from/(used in) investing activities (B)	(6,515.53)	(294.98)
Cash flows from financing activities		
Repayment of Borrowings	(31,999.63)	(23,981.88)
Availment of borrowings	25,678.46	35,959.42
Dividend on shares	(5,771.46)	(6,034.39)
Lease Liability	720.57	907.65
Interest on Lease Liability	(720.57)	(716.51)
Interest paid	(2,736.94)	(1,856.70)
Net cash flow from (used in) financing activities (C)	(14,829.57)	4,277.59
Net increase / (decrease) in cash and cash equivalents (A+B+C)	218.55	441.39
Cash and cash equivalents at 1 April	1,429.11	987.72
Cash and cash equivalents at the reporting date	1,647.66	1,429.11
Reconciliation of cash and cash equivalents as per the balance sheet		
Cash and cash equivalents as per the cash flow statement	1,647.66	1,429.11
Other bank balances not considered above		
- Term Deposit	-	-
Cash and cash equivalents (including Term Deposits) at the reporting date	1,647.66	1,429.11

The accompanying notes 1 to 50 form an integral part of the financial statements.
Subject to our report of even date

for **GANDHI & GANDHI**
Chartered Accountants
Firm's registration no. 000849S

Sd/-
CA Rama Mohan Giri
Partner
Membership No.29478

Place: Hyderabad
Date:29-05-2024

for and on behalf of the Board of Directors

Sd/-
Dr. Sanjay Kumar Jha
Chairman & Managing Director
DIN: 07533036

Sd/-
Shri. Gowri Sankara Rao Naramsetti
Director (Finance)
DIN: 08925899

Sd/-
Shri Paul Antony
Company Secretary
Memb. No.A29037

Consolidated Significant Accounting Policies

1. GENERAL INFORMATION

Mishra Dhatu Nigam Limited (“the Company”) a Government of India enterprise was set up in 1973 and is engaged in the business of manufacturing of superalloys, titanium, special purpose steel and other special metals. The Company has its registered office at ‘P.O. Kanchanbagh, Hyderabad, 500058’.

The company has made strategic investment in a joint venture company M/s. Utkarsha Aluminium Dhatu Nigam Limited for furtherance of its business in the area of Aluminium based alloys.

The Financial Statements for the year ended 31st March 2024 are approved by the Board of Directors and authorized for issue on 29th May 2024 by Board.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

i. Statement of compliance

The consolidated financial statements of the company and its joint venture are prepared and presented in accordance with Indian Accounting Standards (Ind AS) [as notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015], as amended from time to time, to the extent applicable, the provisions of the Companies Act, 2013 and these have been consistently applied.

ii. Functional and presentation currency

The consolidated financial statements are presented in Indian rupees, which is the functional currency of the Company and its Joint venture and the currency of the primary economic environment in which the entities operate. All financial information presented in Indian rupees has been rounded to the nearest lakhs except share and per share data.

iii. Use of estimates and judgment

The preparation of consolidated financial statements are in conformity with Ind AS require estimates and assumptions to be made that affect the application of accounting policies and reported amounts of assets and liabilities, and the reported amounts of revenues and expenses during the reporting period. The estimates and underlying assumptions are reviewed

on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

2.2 Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise stated.

2.3 Revenue recognition

Revenue is recognized when significant risks and rewards of ownership and effective control on goods have been transferred to the buyer. Revenue from the sale of manufactured goods is recognized upfront at the point in time when the goods are delivered to the customer. The supply of alloys may include supply of third-party equipment or material. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the company and its joint venture is acting as the principal or as an agent of the customer. The company and its joint venture recognize revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, liquidated damages, performance bonuses and incentives, if any, as specified in the contract with the customer.

Revenue is recognized when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. The appropriate timing for transfer of risks and rewards varies depending on the individual terms and conditions of the sales contract.

In case of Ex-works contract, revenue is recognized when the goods are handed over to the carrier/agent for dispatch to the buyer and wherever customer’s prior inspection is stipulated; revenue is recognized upon acceptance by customer’s inspector.

In case of sales on FOR/FOB destination contracts, revenue is recognized considering the expected time in respect of dispatches to reach the destination within the accounting period, subject to adjustments based on actual receipt of material at destination.

Consolidated Significant Accounting Policies

Claims for additional revenue in respect of sales contracts/orders against outside agencies are accounted on certainty of realization.

Revenue on rendering of service: Revenue is recognized when the outcome of the services rendered can be estimated reliably. Revenue is recognized in the period when the service is performed by reference to the contract stage of completion on the reporting date.

Contract assets are recognized when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognized when there is a billing in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation a cumulative adjustment is accounted for.

Customer contributed equipment to facilitate Company's fulfilment of contract are accounted as non-cash consideration received from Customer and are measured at fair value.

Use of significant judgments in revenue recognition:

The contracts of the Company and its joint venture with its customers could include promises to transfer multiple products and services to a customer. The Company and its joint venture assesses the products / services promised in a contract and identify distinct performance obligations in the contract. Identification of distinct performance obligation involves judgment to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgment is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses and incentives. The transaction price is also adjusted for the effects of the

time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and is reassessed at the end of each reporting period. Variable considerations are allocated to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company and its joint venture use judgment to determine an appropriate standalone selling price for a performance obligation. Transaction price is allocated to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, expected cost plus margin approach used to allocate the transaction price to each distinct performance obligation.

The Company and its joint venture exercises judgment in determining whether the performance obligation is satisfied at a point in time or over a period of time. Indicators considered such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Contract fulfillment costs are generally expensed as incurred except for certain software license costs which meet the criteria for capitalization. The assessment of this criterion requires the application of judgment, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

2.4 Foreign currencies

Foreign currency monetary items are recorded in the Functional Currency at the closing rate of the reporting period. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Consolidated Significant Accounting Policies

Exchange differences arising on account of settlement / conversion of foreign currency monetary items are recognized as expense or income in the period in which they arise.

Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through consolidated statement of profit and loss.

2.5 Employee benefits

i. Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in the consolidated statement of profit and loss in the periods during which services are rendered by employees. Post Retirement Medical Benefit Scheme (PRMBS) and Pension Scheme are classified under this category.

ii. Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on government bonds, in the absence of deep market for high quality corporate bonds that have maturity dates approximating the terms of the obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan. An economic benefit is available if it is realizable during the life of the plan, or on settlement of the plan liabilities.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in the consolidated statement of profit and loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in the consolidated statement of profit and loss. All actuarial gains and losses arising from defined benefit plans recognized in other comprehensive income.

The Gratuity and contribution towards Provident Fund classified under this category.

iii. Compensated Absence

The liability towards compensated absences is accounted based on actuarial valuation done as at the balance sheet date by an independent actuary using the Projected Unit Credit Method. The liability includes the long term component accounted on a discounted basis and the short term component which is accounted for on an undiscounted basis.

iv. Other Employee Benefits

Other employee benefits are estimated and accounted for based on the terms of the employment contract.

2.6 Property, plant and equipment

Land is capitalized at cost to the Company. Development of land such as leveling, clearing and grading is capitalized along with the cost of building in proportion to the land utilized for construction of building and rest of the development expenditure is capitalized along with the cost of land. Development expenditure incurred for the purpose of landscaping or for any other purpose not connected with construction of any building is treated as cost of land.

All other items of Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. The company opted to adopt the previous GAAP value as the 'deemed cost' for the purposes of preparation of opening balance sheet as at 01 April 2015.

The cost of property, plant and equipment includes expenditures arising directly from the construction or acquisition of the asset, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, when there is an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Consolidated Significant Accounting Policies

The cost of replacing a part of an item is recognized in the carrying amount of the item of property, plant and equipment, if the following recognition criteria are met:

- a) It is probable that future economic benefits associated with the item will flow and;
- b) The cost can be measured reliably.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. Useful lives of the significant components are estimated by the internal technical experts.

The carrying amount of the replaced part is de-recognized at the time the replacement part is recognized. The gain or loss arising from the de-recognition of an item of property, plant and equipment is included in consolidated statement of profit and loss when the item is de-recognized. The costs of the day-to-day servicing of the item are recognized in consolidated statement of profit and loss as incurred.

The present value of expected cost for the dismantling and restoration are included in the cost of respective assets if recognizing criteria for provision are met.

Pending disposal, unserviceable fixed assets are removed from the Fixed Assets Register and shown under "Other Current Assets" as a separate line item at the lower of their net book value and net realizable value. As and when the disposal of such assets takes place, the difference between the carrying amount and the amount actually realized will be recognized as Loss / Profit from sale of Fixed Assets.

Advance paid towards the acquisition of property, plant and equipment, outstanding at each balance sheet date is classified as capital advance under "Other non-current assets" and the cost of assets not put to use before such date are disclosed under 'capital work-in-progress'.

As per para 8 of Ind AS 16, items such as spare parts, stand-by equipment and servicing equipment are recognized in accordance with this Ind AS when they meet the definition of property, plant and equipment and are expected to be used for more than one accounting year. Otherwise, such items are classified as inventory.

Depreciation

Depreciation is calculated using the straight line method to allocate their cost, net of residual values, over the estimated useful life.

The useful lives have been determined to be equal to those prescribed in Schedule II to the Companies Act, 2013. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Assets whose actual cost does not exceed Rs.5000/-, depreciation is provided at the rate of hundred percent in the year of capitalization.

Disposal:

Gain and losses on disposal are determined by comparing net sale proceeds with carrying amount. These are included in consolidated statement of profit and loss.

2.7 Intangible assets

i. Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized 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. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. For transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

ii. De-recognition of intangible assets

An intangible asset is de-recognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in consolidated statement of profit and loss when the asset is de-recognized.

iii. Useful lives of intangible assets

Amortization is calculated using the straight line method to allocate their cost, net of residual values, over the estimated useful life.

Consolidated Significant Accounting Policies

The useful lives have been determined in accordance with guidance provided at Schedule II to the Companies Act, 2013.

The assets' useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

2.8 Inventories

Inventories are valued on the following basis:

i. Raw materials, consumables, spares and Tools and Instruments in Central Stores

At weighted average cost

ii. Raw materials in Shop floor/ Sub-stores in the shops

At weighted average rate of Central Stores, at the end of the year

iii. Consumables in Shop floor/Sub-stores

All consumables drawn from the Central Stores are charged off to expense. Only in respect of 'A' and 'B' class consumables identified by Management from time to time, the stock at the Shop floor/Shop sub-stores are brought to inventory at the close of the year at the weighted average rate. However, moulds, rolls, dies etc., in use at the close of the year, are valued at issue rates with reference to the balance life, technically estimated.

iv. (a) Re-usable process scrap, process rejections and sales rejections with customers for return

At estimated realizable value for scrap.

(b) Scrap Identified for Sale

At estimated realizable value or market value whichever is less

v. Tools and Gauges

Issued tools, instruments, gauges etc. are amortized uniformly over their estimated life.

vi. Work-in-process

At cost or estimated realizable value appropriate to the stage of production based on technical evaluation, whichever is less. However, the WIP of 5 years old and above is valued at the realizable scrap rate.

vii. Finished Goods

At cost or net realizable value (at shop finished stage) whichever is less. However, the Finished Goods of 5 years old and above is valued at the realizable scrap rate.

viii. Goods in transit are valued at cost.

ix. Stores declared surplus / unserviceable are transferred to salvage stores for disposal, and charged to revenue.

x. Provision for the non-moving raw materials, consumables and spares for over three years is made as under:

Raw materials: 85% of the book value

Consumables and Spares (which do not meet definition of PPE): 50% of the book value

xi. Stationery, uniforms, medical and canteen stores are charged off to revenue at the time of receipt.

2.9 Investments in Associates and Joint Ventures

An associate is an entity over which the Company has significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results, assets and liabilities of associates or joint ventures are incorporated on these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate or joint venture is initially recognized in the consolidated balance sheet at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate or joint venture.

Distributions received from an associate or a joint venture reduces the carrying amount of the investment. When

Consolidated Significant Accounting Policies

the company's share of losses of an associate or a joint venture exceeds the company's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the company's net investment in the associate or joint venture), the Company discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Company determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If, there exists such an objective evidence of impairment, then it is necessary to recognize impairment loss with respect to the Company's investment in an associate or joint venture.

When necessary, the entire carrying amount of the investment is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

For the purpose of consolidation the use of the equity method is discontinued from the date when the investment ceases to be an associate or a joint venture, or when the

investment is classified as held for sale. When the company retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Company measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities.

The equity method is continued when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no re-measurement to fair value upon such changes in ownership interests.

When the ownership interest in an associate or a joint venture is reduced but the use of equity method is continued, the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest is reclassified to profit or loss if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

2.10 Income tax

Tax expense represents the sum of current tax and deferred tax

i. Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The current tax assets and current tax liabilities are off-set, where there is a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

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ii. Deferred income tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognized for all taxable temporary differences.

2.11 Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation taking into account the risks and uncertainties surrounding the obligation.

A provision for onerous contracts is recognized when the expected benefits to be derived from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such provision is made, impairment loss if any is recognized on the assets associated with that contract.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimates. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

2.12 Financial instruments

i. Financial assets

The Company and its joint venture initially recognizes its Loans and receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the trade date at which the Company and its joint venture becomes a party to the contractual provisions of the instrument.

The Company and its joint venture de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the

risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained is recognized as a separate asset or liability. Financial assets and liabilities are offset and the net amount is presented in the balance sheet when, and only when, there is a legally enforceable right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial 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

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Except Trade Receivables, financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Financial assets include security deposits, cash and cash equivalents, trade receivables and eligible current and non-current assets.

Cash and cash equivalents comprise cash balances and term deposits with original maturities of one year or less. Bank overdrafts that are repayable on demand and form an integral part of the Company and its joint venture's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

ii. Financial liabilities

The Company and its joint venture initially recognize debt securities issued and subordinated liabilities on the date that they are originated and all other financial liabilities are recognized initially on the trade date at which it becomes a party to the contractual provisions of the instrument.

Consolidated Significant Accounting Policies

The Company and its joint venture de-recognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial liabilities include loans and borrowings and trade and other payables.

Such financial liabilities are recognized initially at fair value through profit or loss and stated net of transaction cost that are directly attributable to them. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

2.13 Impairment

i. Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company and its joint venture on terms that would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security.

ii. Non-financial assets

At the end of each reporting period, the Company and its joint venture reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of the fair value less costs of disposal 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.

2.14 Borrowing costs

Borrowing costs incurred for obtaining assets which takes substantial period to get ready for their intended use are capitalized to the respective assets wherever the costs are directly attributable to such assets and in other cases by applying weighted average cost of borrowings to the expenditure on such assets. Other borrowing costs are treated as expense for the year.

Transaction costs in respect of long-term borrowings are amortized over the tenure of respective loans using effective interest method.

2.15 Finance income and costs

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues in the consolidated statement of profit and loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, impairment losses recognized on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in the consolidated statement of profit and loss using the effective interest method.

2.16 Earnings per share

The Company and its joint venture presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

Consolidated Significant Accounting Policies

2.17 Segment reporting

Operating segments are identified in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Company is in the business of manufacturing of super alloys and other special metals. Considering the core activities of the Company, management is of the view that the Company operates a single business segment.. Therefore, there is no other reportable segment.

2.18 Claims by / against the Company:

Claims on underwriters/carriers towards loss / damage are accounted when monetary claims are preferred.

Claims for refund of customs duty including project imports/port trust charge/excise duty are accounted on acceptance/receipt.

Liquidated Damages on suppliers are accounted on recovery.

Liquidated damages levied by the customers are netted-off from revenue on recovery/advice by the customers. A provision is created for the likely claims of Liquidated Damages for shipments made where a reliable estimation can be made.

Disputed/Time barred debts from Govt. Depts. & PSUs are not treated as Doubtful Debts. However, on a review appropriate provisions/write offs are made in the books of accounts on a case to case basis.

Provision for Doubtful Debts is made on the amounts due from other than Govt. Depts. & PSUs using expected credit loss provisional matrix.

Provision for Contingencies & Warranty to take care of rejected / returned material by customers is provided at an average of percentages of rejections over turnover related to manufactured products for the previous 5 years.

2.19 Research and development expenses:

Research expenditure is charged to the consolidated Statement of Profit and Loss. Development costs of products are also charged to the consolidated Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalized. Tangible assets used in research and development are capitalized.

Expenditure incurred towards other development activity where the research results or other knowledge is applied

for developing new or improved products or processes, are recognized as an Intangible Asset if the recognition criteria specified in Ind AS 38 are met and when the product or process developed is expected to be technically and commercially usable, and has sufficient resources to complete development and subsequently use or sell the intangible asset, and the product or process is likely to generate future economic benefits.

2.20 Physical verification of Fixed Assets and Inventory:

Fixed Assets under the heads Land & Development, Roads & Bridges, Drainage, Sewerage and water system and Buildings & Internal Services are verified once in 3 years. All other Fixed Assets are verified once in the Financial Year.

Inventories of work-in-process, finished goods, raw materials and consumables in the Company premises are verified at the end of the financial year.

Inventories of raw materials, stores and spares in the Central Stores are verified on perpetual basis as per norms fixed from time to time and reconciled. Provisional adjustments are made to revenue, in respect of discrepancies pending reconciliation.

2.21 Cash Flow Statement:

Cash flow statement has been prepared in accordance with the indirect method prescribed in Ind AS 7- Statement of Cash Flows.

2.22 New standards and interpretations not yet effective:

A number of new standards, amendments to standards and interpretations are not yet effective as on the reporting date, and have not been applied in preparing these consolidated financial statements. The effect of the same is being evaluated by the Company and its joint venture.

2.23 Government Grants:

- i. Grants from the Government are recognized at their fair value where there is reasonable assurance that grant will be received and the Company and its joint venture will comply with all attached conditions.
- ii. Government grants relating to income are deferred and recognized in the consolidated profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income. Alternatively, they are deducted in reporting the related expense.

Consolidated Significant Accounting Policies

- iii. Grants related to non-depreciable assets may also require the fulfilment of certain obligations and would then be recognized in consolidated profit or loss over the periods that bear the cost of meeting the obligations.
- iv. Government Grants received either as subsidy or otherwise for acquisition of depreciable assets are accounted as deferred income. If the grant/subsidy is absolute, amount corresponding to the depreciation is treated as income over the life of the asset. If the grant/subsidy is attached with any conditions, such as repayment, income is accounted as per the terms of the grant/subsidy.

2.24 LEASES

Company as a lessee:

Contracts with third party, which give the company the right of use in respect of an Asset, are accounted in line with the provisions of Ind AS 116 – “Leases” if the recognition criteria as specified in the Accounting standard are met.

Lease payments associated with short term lease (term of twelve months or less) and lease in respect of low value assets are charged off as expenses on straight line basis over lease term or other systematic basis, as applicable.

At commencement date, the value of “right of use” is capitalised at the present value of outstanding lease payments plus any initial direct cost and estimated cost, if any, of dismantling and removing the underlying asset.

Liability for lease is created for an amount equivalent to the present value of outstanding lease payments. Subsequent measurement, if any, is made using cost model.

Each lease payment is allocated between the liability created and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The right of use asset is depreciated over the shorter of the asset’s useful life and the lease term on a straight line basis.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the company’s incremental borrowing rate.

Lease modifications, if any, are accounted as a separate lease if the recognition criteria specified in the standard are met.

Company as a Lessor:

Lease are classified as finance or operating lease based on the recognition criteria specified in Ind AS 116 – Leases.

a) Finance Lease:

At commencement date, amount equivalent to the “net investment in the lease” is presented as a receivable. The implicit interest rate is used to measure the value of the “net investment in Lease”.

Each lease payment is allocated between the Receivable created and finance income. The finance income is recognised in the statement of profit and loss over the lease period so as to reflect a constant periodic rate of return on the net investment in lease.

The asset is tested for de-recognition and impairment requirements as per IndAS 109- Financial Instruments.

Lease modifications, if any, are accounted as a separate lease if the recognition criteria specified in the standard are met.

b) Operating lease:

The company recognises lease payments from operating leases as income on either a straight line basis or another systematic basis, if required. Lease modifications, if any, are accounted as a separate lease if the recognition criteria specified in the standard are met.

A lease is classified at the inception date as a finance lease or operating lease.

Notes to Consolidated Financial Statements

for FY 2023-24

3. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakh)

Particulars	GROSS CARRYING AMOUNT			ACCUMULATED DEPRECIATION			NET CARRYING AMOUNT	
	As at 1 st April, 2023	Additions during the year	Deductions/ Adjustments during the year	As at 31 st March, 2024	As at 1 st April, 2023	Additions during the year	Deductions/ Adjustments during the year	As at 31 st March, 2024
Land	1,718.39	-	-	1,718.39	-	-	-	1,718.39
Buildings/Drainage/Water systems	6,807.75	1,136.58	(4.19)	7,940.14	1,076.87	285.03	(1.06)	1,360.84
Plant and Equipment *	77,314.24	5,334.03	(239.58)	82,408.69	13,542.66	3,452.12	(125.72)	16,869.06
Furniture and Fixtures	605.46	29.16	(2.15)	632.47	329.20	54.07	(0.65)	382.62
Vehicles	611.09	6.56	(0.72)	616.93	343.67	58.86	-	402.53
Office Equipment	1,680.21	204.20	(14.90)	1,869.51	1,008.39	209.64	(10.76)	1,207.27
Other (Electrical Installations)	3,027.25	593.67	(2.10)	3,618.82	1,007.68	295.05	(0.34)	1,302.39
Others (Roads and Bridges)	443.96	-	-	443.96	46.65	83.69	-	130.34
Right of Use Assets								
Buildings/Drainage/Water systems	4,679.97	254.25	-	4,934.22	459.46	149.85	-	609.31
Plant and Equipment	21,564.15	-	-	21,564.15	1,698.14	819.44	-	2,517.58
Other (Electrical Installations)	3,526.35	-	-	3,526.35	1,378.89	335.00	-	1,713.89
Total	1,21,978.82	7,558.45	(263.64)	1,29,273.63	20,891.61	5,742.75	(138.53)	26,495.83

* Includes Assets funded by ASL where no repayment exists.

(₹ in Lakh)

Particulars	GROSS CARRYING AMOUNT			ACCUMULATED DEPRECIATION			NET CARRYING AMOUNT	
	As at 1 st April, 2022	Additions during the year	Deductions/ Adjustments during the year	As at 31 st March, 2023	As at 1 st April, 2022	Additions during the year	Deductions/ Adjustments during the year	As at 31 st March, 2023
Land	1,718.39	-	-	1,718.39	-	-	-	1,718.39
Buildings/Drainage/Water systems	4,661.79	2,146.72	(0.76)	6,807.75	857.93	218.94	-	1,076.87
Plant and Equipment *	69,019.97	8,314.02	(19.75)	77,314.24	10,413.74	3,146.75	(17.83)	13,542.66
Furniture and Fixtures	506.93	98.61	(0.08)	605.46	279.11	50.15	(0.06)	329.20
Vehicles	499.96	111.15	(0.02)	611.09	289.10	54.57	-	343.67
Office Equipment	1,267.73	262.85	(149.63)	1,680.21	833.98	182.77	(8.36)	1,008.39
Other (Electrical Installations)	1,975.06	1,213.69	(161.50)	3,027.25	774.98	292.70	-	1,007.68
Others (Roads and Bridges)	11.30	432.66	-	443.96	2.32	44.33	-	46.65
Right of Use Assets								
Buildings/Drainage/Water systems	4,679.97	-	-	4,679.97	309.70	149.76	-	459.46
Plant and Equipment	21,564.15	-	-	21,564.15	878.70	819.44	-	1,698.14
Other (Electrical Installations)	3,526.53	-	(0.18)	3,526.35	1,043.89	335.00	-	1,378.89
Total	1,09,431.78	12,579.70	(32.66)	1,21,978.82	15,683.45	5,234.41	(26.25)	20,891.61

* Includes Assets funded by ASL where no repayment exists.

Notes to Consolidated Financial Statements

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1. Conveyance deeds for 275 acres and 35 guntas of Land acquired which are through various Allotment/Award Letters/GO's are yet to be executed in the name of the Company. Most of them are allotted/granted by the undivided Govt. of AP earlier.

Further, above land includes:

- (a) Land leased to DRDO - 35 acres and 39 guntas (Operating Lease), (b) Land in the physical possession of Telanagana State Govt. - 1 acre, (c) Land in the physical possession of BDL - 1 acre and (d) 1.5 Acres land is under dispute on account of unauthorized occupancy by third party.
2. Claims for reimbursement of cost for 70 acres and 23 guntas of Land transferred by DRDO not acknowledged, as no final settlement has been reached.
 3. Pending registration/receipt of claims, no Provision has been made towards stamp Duty on conveyance deeds/conversion of Land use/property taxes/service charges (amount not ascertainable)
 4. Plant and Machinery includes ₹5058.04 lakh (31-Mar-2023 ₹5066.35 lakh) for R&D capital cost.
 5. Company considered the salvage value as 5% of the Cost of Assets
 6. Principal Asset costing ₹100 lakh and above only are identified for the purpose of componentization of assets.
 7. During the year, the Company has not revalued Property, Plant and Equipment.
 8. The Estimated useful life of various categories of assets are considered based on the Schedule II of the Companies Act, 2013, where NESD rates are available. For the other assets, management has estimated the useful life after taking into consideration, factors like expected usage of assets, risk of technical and commercial obsolescence etc. The estimated useful lives of various categories of Tangible Assets is as follows.

Asset Class	Useful Life (Years)
Buildings	30/60
Roads and Bridges	5
Electrical Installations	10
Plant, Machinery and Equipment	10/15/25
Electrical Equipments	3/6
Vehicles	8/10
Office Equipments	5/8/10
Furniture and Fixtures	8/10

9. Refer Note 41(ii) for outstanding contractual commitments.

Notes to Consolidated Financial Statements

for FY 2023-24

4. INTANGIBLE ASSETS

(₹ in Lakh)

Particulars	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT
	As at 1 st April, 2023	Additions during the year	Deductions/ Adjustments during the year	As at 31 st March, 2024	As at 1 st April, 2023	Additions during the year	Deductions/ Adjustments during the year	As at 31 st March, 2024	As at 31 st March, 2024
	Computer Software	721.33	22.61	-	743.94	335.09	104.01	-	439.10
Copyrights & Patents and other intellectual property rights, services and operating rights	105.95	-	-	105.95	29.19	8.44	-	37.63	68.32
Total	827.28	22.61	-	849.89	364.28	112.45	-	476.73	373.16

(₹ in Lakh)

Particulars	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT
	As at 1 st April, 2022	Additions during the year	Deductions/ Adjustments during the year	As at 31 st March, 2023	As at 1 st April, 2022	Additions during the year	Deductions/ Adjustments during the year	As at 31 st March, 2023	As at 31 st March, 2023
	Computer Software	374.46	346.87	-	721.33	276.96	58.13	-	335.09
Copyrights & Patents and other intellectual property rights, services and operating rights	24.20	81.75	-	105.95	21.28	7.91	-	29.19	76.76
Total	398.66	428.62	-	827.28	298.24	66.04	-	364.28	463.00

Notes to Consolidated Financial Statements

for FY 2023-24

5. CAPITAL WORK-IN-PROGRESS

(₹ in Lakh)

Particulars	As at	As at
	31 st March, 2024	31 st March, 2023
Capital Work-in-Progress-Civil	1,430.35	1,600.44
Capital Work-in-Progress- Plant & Machinery Under Erection	6,542.26	5,870.38
Plant, Machinery & Equipment under Inspection & in Transit	333.14	493.58
Total	8,305.75	7,964.40

6. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

(₹ in Lakh)

Particulars	As at	As at
	31 st March, 2024	31 st March, 2023
Trade Investments Non-Trade, Unquoted AT COST		
Investment in Equity instruments		
Investment in other entities		
AP Gas Power Corporation Limited (*)		
18,43,857 fully paid up Equity share of ₹ 10/- each including 7,71,847 fully paid up bonus share of face value ₹ 10/- each	107.20	107.20
4,28,800 fully paid up Equity share of ₹ 10/- each subscribed at ₹ 24/- each and paid-up ₹ 24/- each	102.91	102.91
Investments in Joint Venture (**)		
Utkarsha Aluminium Dhatu Nigam Limited 2,00,00,000 fully paid up Equity share of ₹ 10/- each	1,972.04	1,920.18
Total	2,182.15	2,130.29

(*) Investment in APGPCL shares are in the nature of security deposit for uninterrupted supply of power which has no specified tenure. Hence, not considered for fair valuation.

(**) Details of Joint venture

(₹ in Lakh)

Particulars	Principal Activity and place of business	Proportion of ownership Interest/voting rights held by the Company	
		As at 31-03-2024	As at 31-03-2023
Utkarsha Aluminium Dhatu Nigam Limited	For setting up High End Aluminium Alloy Production plant at Nellore, Andhra Pradesh.	50%	50%

Notes to Consolidated Financial Statements

for FY 2023-24

Financial Information in respect of Joint Venture

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Non-current assets	982.66	1,011.04
Current assets	3,025.88	2,899.98
Non-current liabilities	-	-
Current liabilities	64.46	70.67
The above amounts of assets and liabilities includes the following:		
Cash and cash equivalents	2,939.77	2,826.32
Current financial liabilities (excluding trade payables and provisions)	-	-
Non-current financial liabilities (excluding trade payables and provisions)	-	-
Current liabilities	64.46	70.67

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Revenue	-	-
Profit or loss from continuing operations	103.73	77.68
Other comprehensive income for the year	-	-
Total comprehensive income for the year	103.73	77.68
The above profit / (Loss) for the year include the following:		
Depreciation and amortisation	10.44	10.44
Interest Income	-	-
Interest expenses	-	-
Income tax expense / (income)	-	-

Reconciliation of the above summarised financial information to the carrying amount of the interest in JV recognised in the consolidated financial statements:

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Net asset of the Joint Venture	3,944.08	3,840.35
Proportion of the Group's ownership interest in JV (%)	50%	50%
Proportion of the Group's ownership interest in JV (₹)	1,972.04	1,920.18
Add: additional subscription of share warrant / advance against equity	-	-
Add: good will on acquisition	-	-
Less: unrealised profit	-	-
Group's share in the net asset of JV	1,972.04	1,920.18
Carrying amount of the Group's interest in JV	1,972.04	1,920.18

Notes to Consolidated Financial Statements

for FY 2023-24

7. NON-CURRENT FINANCIAL ASSETS - LOANS

(₹ in Lakh)

Particulars	As at	
	31 st March, 2024	31 st March, 2023
Unsecured, considered good		
Loans to Vendors	-	-
Total	-	-

8. NON-CURRENT TAX ASSETS (NET)

(₹ in Lakh)

Particulars	As at	
	31 st March, 2024	31 st March, 2023
Advance Income Tax	-	52.88
Total	-	52.88

9. OTHER NON-CURRENT ASSETS

(₹ in Lakh)

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
Capital Advances				
Unsecured, considered good	-	195.19	-	228.77
Doubtful	35.46	-	35.46	-
Less: Provision	35.46	-	35.46	-
Sub-Total	-	195.19	-	228.77
Others				
Doubtful Advances to supplier	22.52	-	22.52	-
Less: Provision	22.52	-	22.52	-
Obsolete and slow moving -Raw material	416.67	-	370.72	-
Less: Provision	416.67	-	370.72	-
Obsolete and slow moving -consumables	43.13	-	46.49	-
Less: Provision	43.13	-	46.49	-
Obsolete and slow moving -spares	213.69	-	214.93	-
Less: Provision	213.69	-	214.93	-
Total	-	195.19	-	228.77

Notes to Consolidated Financial Statements

for FY 2023-24

10. INVENTORIES

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Raw Materials and components	9,745.93	10,470.00
Raw Materials and components -in transit	3,566.91	2,427.47
Total	13,312.84	12,897.47
Work-in-progress #	66,870.49	75,870.87
Total	66,870.49	75,870.87
Finished goods	11.22	26.97
Finished goods in transit	45.44	148.14
Total	56.66	175.11
Stores and spares	696.53	648.91
Stores and spares -in transit	24.78	-
Total	721.31	648.91
Loose Tools	38.66	32.35
Total	38.66	32.35
Consumables	2,518.18	2,021.86
Consumables-in transit	-	-
Total	2,518.18	2,021.86
Internally generated Scrap/rejected material *	47,453.67	30,837.80
Total	47,453.67	30,837.80
Grand Total	1,30,971.81	1,22,484.37

The Inventory does not include material held on behalf of Customers and material issued by the Customers to MIDHANI for job works.

#Work in progress Include materials lying with sub-contractors ₹ 2058.61 Lakh (31.03.2023 ₹ 1752.23 Lakh) and is subject to confirmation of balance by sub-contractors.

*Includes Rejected Materials lying with Customers ₹ 181.82 Lakh (31.03.2023 ₹ 123.93 Lakh) yet to be brought back from Customers.

Valuation of Inventories has been made as per criteria specified at 2.8 of Significant Accounting Policies given at Note-2.

11. CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Trade Receivables		
Considered Good - Unsecured	32,345.38	31,641.08
Which have significant increase in Credit Risk	-	-
Credit Impaired	2,045.78	2,089.44
Total (A)	34,391.16	33,730.52
Less : Allowance for bad and doubtful debts		
Considered good - Unsecured (ECL)	(45.21)	(61.19)
Which have significant increase in Credit Risk	-	-
Credit Impaired	(2,045.78)	(2,089.44)
Total (B)	(2,090.99)	(2,150.63)
Grand Total (A-B)	32,300.17	31,579.89

Notes to Consolidated Financial Statements

for FY 2023-24

Trade Receivables ageing schedule

(₹ in Lakh)

Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables - Considered good	29,686.98	979.23	662.29	816.28	200.60	32,345.38
(ii) Undisputed Trade Receivables - which have significant increase in Credit Risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	1,333.66	83.27	232.18	199.77	196.90	2,045.78
(iv) Disputed Trade Receivables - Considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in Credit Risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit impaired	-	-	-	-	-	-

For computing the trade receivables normal credit period allowed by the company of thirty days has been taken into consideration for calculating the due date from the date of invoice .

Balances in Trade Receivables, is subject to confirmation and/or reconciliation.

Expected Credit Loss Percentage

Age of receivables	Expected credit loss	
	As at 31 st March, 2024	As at 31 st March, 2023
Within Credit the Period	2.03%	0.00%
Upto 3 months	2.86%	0.00%
3-6 months	13.14%	1.09%
6-9 months	29.08%	10.42%
9-12 months	60.74%	100.00%
>12 months	100.00%	100.00%
Specific Provision (₹ In Lakh) relating to Defence, Govt and PSU customer dues	305.24	587.15
Specific Provision (₹ In Lakh) relating to Defence, Govt, PSU, Private customer dues (LD)	1,740.54	1,502.29

(₹ in Lakh)

Age of receivables	As at	
	31 st March, 2024	31 st March, 2023
Private Customers -Unsecured		
Within Credit the Period	1,337.14	973.23
Upto 3 months	491.64	422.52
3-6 months	0.89	0.48
6-9 months	0.02	3.16
9-12 months	3.32	54.40

Notes to Consolidated Financial Statements

for FY 2023-24

(₹ in Lakh)

Age of receivables	As at 31 st March, 2024	As at 31 st March, 2023
>12 months	1.93	6.42
Private Customers -secured	202.86	7.18
Defence, Govt and PSU customer dues	32,353.36	32,263.13

Movement in Provision made against Trade Receivables

(₹ in Lakh)

Particulars	Total
Loss allowance as on 31 st March, 2023	2,150.63
Changes in loss allowance	(59.64)
Loss allowance as on 31 st March, 2024	2,090.99

12. CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Balances with Banks		
In Current Accounts	1,647.25	1,427.53
Cash on hand	0.41	1.58
Total	1,647.66	1,429.11

13. CURRENT FINANCIAL ASSETS - BANK BALANCES [OTHER THAN (NOTE 12) ABOVE]

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Unpaid Dividend *	13.71	12.43
Total	13.71	12.43

* This amount includes of ₹ 0.99 lakh (31-03-2023 - ₹ 1.26 lakh) towards Interim Dividend for the respective financial years, but not unpaid as per sec 124 of the Companies Act, 2013.

14. CURRENT FINANCIAL ASSETS - OTHERS

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Unsecured - Considered Good Loans and advances to employees	38.02	42.19
Claims receivable	25.93	54.97
Deposits with others	1,648.37	825.24
Interest accrued on bank deposits	-	-
Total	1,712.32	922.40

Notes to Consolidated Financial Statements

for FY 2023-24

15. OTHER CURRENT ASSETS

(₹ in Lakh)

Particulars	As at	As at
	31 st March, 2024	31 st March, 2023
Assets held for disposal	50.66	16.76
Prepaid expenses	275.30	263.13
GST/Customs duty receivable	9,380.65	17,434.93
Others		
Unsecured, considered good		
Advance to suppliers	356.42	211.13
Total	10,063.03	17,925.95

16. EQUITY SHARE CAPITAL

(₹ in Lakh)

Particulars	As at	As at
	31 st March, 2024	31 st March, 2023
Authorised		
Equity shares		
20,00,00,000 shares @ ₹ 10/- per share (Previous Year 20,00,00,000 shares @ ₹ 10/- per share)	20,000.00	20,000.00
	20,000.00	20,000.00
Issued		
Equity shares		
18,73,40,000 shares @ ₹ 10/- per share (Previous Year 18,73,40,000 shares @ ₹ 10/- per share)	18,734.00	18,734.00
	18,734.00	18,734.00
Subscribed and fully Paid up		
Equity shares		
18,73,40,000 shares @ ₹ 10/- per share (Previous Year 18,73,40,000 shares @ ₹ 10/- per share)	18,734.00	18,734.00
	18,734.00	18,734.00
Total	18,734.00	18,734.00

Reconciliation of shares outstanding at the beginning and at the end of the period:

(₹ in Lakh)

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	No. of Shares	Amount (₹ in Lakh)	No. of Shares	Amount (₹ in Lakh)
Outstanding as at Opening Date	18,73,40,000	18,734.00	18,73,40,000	18,734.00
Add: Issued during the period	-	-	-	-
Less: Buy-back during the period (if any)	-	-	-	-
Outstanding as at Closing Date	18,73,40,000	18,734.00	18,73,40,000	18,734.00

Terms/right attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share (Previous Year ₹ 10 per share). Each equity share represents one voting right.

Notes to Consolidated Financial Statements

for FY 2023-24

Details of shareholders holding more than 5% shares in the Company

(₹ in Lakh)

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	No. of shares	% holding	No. of shares	% holding
Equity shares of ₹ 10/- each fully paid-up (Previous Year ₹ 10/- each)				
President of India	13,86,31,600	74.00%	13,86,31,600	74.00%
HDFC Trustee Company Ltd. A/c HDFC Balanced Advantage Fund	1,33,29,106	7.11%	1,45,31,611	7.76%

Details of Shareholding of Promoters

Shares held by promoters as on 31st March, 2024

S. No.	Particulars	No. of Shares	% of Total shares	% Change during the year
1	President of India	13,86,31,600	74%	-

17. OTHER EQUITY

(₹ in Lakh)

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
General Reserve				
Opening Balance		99,875.87		89,875.87
Less: Depreciation adjustment		-		-
		99,875.87		89,875.87
Add: Additions during the year		6,600.00		10,000.00
Sub-total		1,06,475.87		99,875.87
Retained Earnings				
Opening Balance		9,843.98		10,249.92
Add: Amount transferred from statement of profit and loss		9,178.18		15,626.45
Amount available for appropriation		19,022.16		25,876.37
Less: Appropriations				
Interim Dividend	2,641.52		3,147.32	
Final Dividend	3,128.66		2,885.07	
Transferred to General Reserve	6,600.00	12,370.18	10,000.00	16,032.39
Sub-total		6,651.98		9,843.98
Components of other comprehensive income				
Opening Balance		85.75		93.49
Add: Remeasurement of the net defined benefit liability / asset, net of tax effect		(31.26)		(7.74)
Sub-total		54.49		85.75
Total		1,13,182.34		1,09,805.60

Notes to Consolidated Financial Statements

for FY 2023-24

18. NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Secured		
Term Loans		
from Banks	5,914.13	6,735.67
(Secured by way of Hypothecation of Machinery Purchased out of Term Loan) (Excluding ₹2000.00 lakh (31.03.2023 ₹2000.00 lakh) which is due for payment within 12 months treated as Other Current Financial Liability and included under Note 23) Repayable in 20 quarterly equal installments)		
Total	5,914.13	6,735.67

19. NON-CURRENT FINANCIAL LIABILITIES - OTHERS

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Deposit under MEFBS-2021	109.83	94.53
Total	109.83	94.53

20. NON-CURRENT LIABILITIES - PROVISIONS

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Provision for employee benefits		
Provision for gratuity	152.47	135.73
Provision for compensated absences	55.24	48.87
Total	207.71	184.60

21. DEFERRED TAX LIABILITIES (NET)

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Deferred Tax Liabilities		
On Depreciation	5,196.36	4,671.50
Sub Total	5,196.36	4,671.50
Deferred Tax Assets		
On Provision	714.68	701.74
On Disallowance as per IT Act	13.90	12.30
Sub Total	728.58	714.04
Net Total	4,467.78	3,957.46

Notes to Consolidated Financial Statements

for FY 2023-24

Movement in deferred tax

(₹ in Lakh)

Particulars	Closing Balance 31-Mar-2023	Charge/Credit during the year 2023-24	Closing Balance 31-Mar-2024
Deferred Tax Assets			
Provision for Non Moving Stores	159.09	10.41	169.50
Provisions for Doubtful Debts	163.17	(74.97)	88.20
Provisions for Doubtful Adv / Claims	5.67	-	5.67
Provision for Contingencies & Warranty	198.62	28.42	227.04
AMTL Leave Provision	12.30	1.60	13.90
Provison for Others	27.69	-	27.69
OFB-Melt-IV Interest Differences (Net)	71.50	8.46	79.96
VSSC Interest Differences (Net)	-	-	-
OFB-WPM Interest Differences (Net)	76.00	34.02	110.02
MSE Liaibility Unapaid	-	6.60	6.60
Total Assets	714.04	14.54	728.58
Deferred Tax Liability			
Depreciation	4,671.50	524.86	5,196.36
Total Liability	4,671.50	524.86	5,196.36
Net Liability	3,957.46	510.32	4,467.78

22. OTHER NON-CURRENT LIABILITIES

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Advances		
Advances from Customers	22,970.25	17,786.41
Others		
Material Received on Loan - Kaveri Project	-	-
Other Liabilities - VSSC	54.72	54.72
Other Liabilities - OFB	43.00	43.00
Advances Others	64.57	64.57
Deferred Income	39,180.13	40,596.59
Total	62,312.67	58,545.29

23. CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Secured		
Loans repayable on demand		
From Banks		
Cash Credit	-	(0.37)
(By hypothecation of Raw materials, stock in process, finished good and book debts.)		
Unsecured		

Notes to Consolidated Financial Statements

for FY 2023-24

(₹ in Lakh)

Particulars	As at	As at
	31 st March, 2024	31 st March, 2023
From Banks		
Short Term Loans	24,500.00	30,000.00
Current Maturities of Long Term Debt	2,000.00	2,000.00
Total	26,500.00	31,999.63

24. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ in Lakh)

Particulars	As at	As at
	31 st March, 2024	31 st March, 2023
Micro & Small Enterprises	768.39	429.96
Others	11,228.91	14,147.74
Total	11,997.30	14,577.70

Balances in Trade Payables are subject to confirmation and/ or reconciliation.

Trade Payables ageing schedule

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	576.48	32.47	88.59	50.90	19.95	768.39
(ii) Others	3,242.78	7,636.03	175.24	134.06	40.80	11,228.91
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-

25. CURRENT FINANCIAL LIABILITIES - OTHERS

(₹ in Lakh)

Particulars	As at	As at
	31 st March, 2024	31 st March, 2023
Earnest money deposit	393.63	489.18
Security Deposit	1,754.21	1,038.32
Liabilities to customers	1,357.47	1,016.47
Capital creditors	7,989.44	8,098.26
Employee payables	1,570.87	1,537.29
Unpaid Dividend *	13.71	12.43
Total	13,079.33	12,191.95

* This amount includes of ₹ 0.99 lakh (31-03-2023 - ₹ 1.26 lakh) towards Interim Dividend for the respective financial years, but not unpaid as per sec 124 of the Companies Act, 2013.

Notes to Consolidated Financial Statements

for FY 2023-24

26. OTHER CURRENT LIABILITIES

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Advances received from customers	15,312.53	11,856.63
Liabilities for Customer Financed projects	502.69	502.69
Material Received on Loan - Others	4,250.75	3,790.65
Statutory liabilities	167.95	140.21
Total	20,233.92	16,290.18

27. CURRENT - PROVISIONS

(₹ in Lakh)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Provision for employee benefits		
Provision for compensated absences	305.14	265.23
Provision for gratuity	248.65	200.36
Provision for post retirement medical scheme	174.32	162.40
Provision for other employee benefits	1,157.21	1,466.99
Other Provisions		
Provision for contingencies and warranty	902.08	789.18
Provision for Income Tax	55.93	40.09
Other provisions	110.04	110.04
Total	2,953.37	3,034.29

Movement in Provisions (Short term and Long term)

(₹ in Lakh)

Particulars	As at 01.04.2023	Additions	Utilization	Reversal	As at 31.03.2024
Compensated absences	314.10	311.51	265.23	-	360.38
Gratuity	336.09	265.39	200.36	-	401.12
Post retirement medical scheme	162.40	174.32	162.40	-	174.32
Contingencies and Warranty	789.18	112.9	-	-	902.08
Others	1,577.03	420.00	729.78	-	1,267.25
Total	3,178.80	1,284.12	1,357.77	-	3,105.15

28. REVENUE FROM OPERATIONS

(₹ in Lakh)

Particulars	For the Year Ended 31 st March, 2024	For the Year Ended 31 st March, 2023
Sale of Manufacturing Products		
Domestic	94,430.43	79,097.37
Export Sales	6,623.76	3,744.53
Sale of Services	2,064.58	2,145.70
Other Operating Revenue Sale of product scrap	4,148.68	2,206.54
Total	1,07,267.45	87,194.14

Notes to Consolidated Financial Statements

for FY 2023-24

29. OTHER INCOME

(₹ in Lakh)

Particulars	For the Year Ended 31 st March, 2024	For the Year Ended 31 st March, 2023
Interest Income		
From Banks	-	33.26
From Others	551.79	556.43
Liquidated Damages	654.63	1,004.94
Net gain on sale of Fixed Assets	-	0.06
Income from Sale of Unserviceable Scrap	267.79	269.55
Excess Liabilities written back	577.78	695.78
Grant Income	864.67	930.58
Other miscellaneous income	76.86	287.54
Total	2,993.52	3,778.14

Details of other miscellaneous income

(₹ in Lakh)

Particulars	For the Year Ended 31 st March, 2024	For the Year Ended 31 st March, 2023
Sale of Application Forms (Personnel)	4.79	0.35
Others	72.07	287.19
Total	76.86	287.54

30. COST OF MATERIAL CONSUMED

(₹ in Lakh)

Particulars	For the Year Ended 31 st March, 2024	For the Year Ended 31 st March, 2023
Cost of Material for manufactured products	52,347.25	39,117.67
Total	52,347.25	39,117.67

31. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

(₹ in Lakh)

Particulars	For the Year Ended 31 st March, 2024	For the Year Ended 31 st March, 2023
Opening Stock		
Work-in-progress	75,870.87	59,680.82
Finished Stock	175.11	124.99
Scrap	30,837.80	24,245.48
	1,06,883.78	84,051.29
Closing Stock		
Work-in-progress	66,870.49	75,870.87
Finished Stock	56.66	175.11
Scrap	47,453.67	30,837.80
	1,14,380.82	1,06,883.78

Notes to Consolidated Financial Statements

for FY 2023-24

(₹ in Lakh)

Particulars	For the Year Ended 31 st March, 2024	For the Year Ended 31 st March, 2023
(Increase) / Decrease		
Work-in-progress	9,000.38	(16,190.05)
Finished Stock	118.45	(50.12)
Scrap	(16,615.87)	(6,592.32)
Total	(7,497.04)	(22,832.49)

32. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakh)

Particulars	For the Year Ended 31 st March, 2024	For the Year Ended 31 st March, 2023
Salaries & Wages		
Salaries & Wages	9,010.72	8,671.55
Leave Encashment	498.31	427.01
Directors remuneration	245.16	183.88
Contribution to Provident and other Funds		
Provident fund	750.42	701.64
Employees Gratuity	154.91	199.92
Leave salary and pension contribution	401.20	358.58
Staff Welfare & Training		
Workmen and staff welfare expense	2,322.39	2,039.27
Total	13,383.11	12,581.85

(i) Gratuity

Gratuity payable to eligible employees is administered by a separate Trust, which has taken a policy with LICGGF. The annual demand computed through actuarial valuation is charged to Statement of Profit and Loss and other comprehensive income.

Expenses Recognised during the period

(₹ in Lakh)

Particulars	2023-24	2022-23
In Income Statement	212.28	194.73
In Other Comprehensive Income	41.77	10.34
Net Liability	254.05	205.07

Assets and Liability (Balance Sheet Position)

(₹ in Lakh)

Particulars	2023-24	2022-23
Present Value of Obligation	3,022.77	2,934.50
Fair Value of Plan Assets	2,774.12	2,734.14
Surplus / (Deficit)	(248.65)	(200.36)
Effects of Asset Ceiling, if any	-	-
Net Assets / (Liability)	(248.65)	(200.36)

Notes to Consolidated Financial Statements

for FY 2023-24

Changes in the Present Value of Obligation

(₹ in Lakh)

Particulars	2023-24	2022-23
Present Value of Obligation as at beginning	2,934.50	3,329.05
Current Service Cost	197.32	186.41
Interest Expense or Cost	219.08	239.52
Re-measurement (or Actuarial) (gain) / loss arising from:	-	-
- change in demographic assumptions	-	-
- change in financial assumptions	67.88	(62.35)
- experience variance (Actual Vs assumptions)	(35.20)	49.56
Past Service Cost	-	-
Effect of change in foreign exchange rates	-	-
Benefits Paid	(360.82)	(807.69)
Acquisition Adjustment	-	-
Effect of business combinations or disposals	-	-
Present Value of Obligation as at the end	3,022.77	2,934.50

Bifurcation of net liability

(₹ in Lakh)

Particulars	2023-24	2022-23
Current Liability (Short term)	-	-
Non-Current Liability (Long term)	248.65	200.36
Net Liability	248.65	200.36

Changes in the Fair Value of Plan Assets

(₹ in Lakh)

Particulars	2023-24	2022-23
Fair Value of Plan Assets as at the beginning	2,734.14	3,213.43
Investment Income	204.13	231.20
Employer's Contribution	205.76	120.34
Expenses	-	-
Employee's Contribution	-	-
Benefits Paid	(360.82)	(807.69)
Return on plan assets , excluding amount recognised in net interest expense	(9.09)	(23.14)
Acquisition Adjustment	-	-
Fair Value of Plan Assets as at the end	2,774.12	2,734.14

Expenses Recognised in the Income Statement

(₹ in Lakh)

Particulars	2023-24	2022-23
Current Service Cost	197.32	186.41
Past Service Cost	-	-
Loss / (Gain) on settlement	-	-
Expected return on Asset	-	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	14.96	8.32
Actuarial Gain/Loss	-	-
Expenses Recognised in the Income Statement	212.28	194.73

Notes to Consolidated Financial Statements

for FY 2023-24

Other Comprehensive Income

(₹ in Lakh)

Particulars	2023-24	2022-23
Actuarial (gains) / losses		
- change in demographic assumptions	-	-
- change in financial assumptions	67.88	(62.36)
- experience variance (i.e. Actual experience vs assumptions)	(35.20)	49.56
- others	-	-
Return on plan assets, excluding amount recognized in net interest expense	9.09	23.14
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
Components of defined benefit costs recognised in other comprehensive income	41.77	10.34

Actuarial assumptions

(₹ in Lakh)

Particulars	2023-24	2022-23
Discount rate (per annum)	7.20%	7.45%
Salary growth rate (per annum)	8.00%	8.00%

Demographic assumptions

(₹ in Lakh)

Particulars	2023-24	2022-23
Mortality rate	100.00%	100.00%
Withdrawal rate (per annum)	Upto 3% based on age	Upto 3% based on age

Table of sample mortality rates from Indian Assured Lives Mortality 2012-14

Mortality (per annum)		Male	Female
Age			
	20 years	0.092%	0.092%
	25 years	0.093%	0.093%
	30 years	0.098%	0.098%
	35 years	0.120%	0.120%
	40 years	0.168%	0.168%
	45 years	0.258%	0.258%
	50 years	0.444%	0.444%
	55 years	0.751%	0.751%
	60 years	1.116%	1.116%
	65 years	1.593%	1.593%
	70 years	2.406%	2.406%

Notes to Consolidated Financial Statements

for FY 2023-24

Sensitivity analysis

(₹ in Lakh)

Particulars	31-Mar-24		31-Mar-23	
	Decrease	Increase	Decrease	Increase
Defined Benefit Obligation (Base)	3,022.77		2,934.50	
Discount Rate (- / + 1%)	3,326.02	2,766.42	3,201.24	2,708.02
(% change compared to base due to sensitivity)	10.0%	-8.5%	9.1%	-7.7%
Salary Growth Rate (- / + 1%)	2,855.40	3,194.00	2,790.38	3,086.70
(% change compared to base due to sensitivity)	-5.5%	5.7%	-4.9%	5.2%
Attrition Rate (- / + 1%)	2,961.15	3,071.68	2,873.53	2,982.75
(% change compared to base due to sensitivity)	-2.0%	1.6%	-2.1%	1.6%
Mortality Rate (- / + 10%)	3,021.26	3,024.26	2,933.01	2,935.98
(% change compared to base due to sensitivity)	0.0	0.0	-0.1%	0.1%

Expected cash flows over the next (valued on undiscounted basis):

1 year	364.08
2 to 5 years	1,174.14
6 to 10 years	1,030.59
More than 10 years	4,684.53

(ii) Leave obligations

The leave obligations cover the Company's liability for the earned leave. The retirement benefit relating to leave encashment is administered through a Group Leave Encashment Scheme with LIC of India. The annual demand computed through actuarial valuation is charged to Statement of Profit and Loss.

Bifurcation of net liability

(₹ in Lakh)

Particulars	2023-24	2022-23
Current Liability (Short term)	280.07	301.52
Non-Current Liability (Long term)	2,770.19	2,491.02
Net Liability	3,050.26	2,792.54

(iii) Pension

As per the Department of Defence Production, Ministry of Defence, GOI, Guidelines No.8(112)/2012/D(Coord/DDP) dt. 11.11.2013, the contribution to Pension Scheme has to be restricted to a maximum of 10% (7% with the approval of Board and 3% with the prior approval of the Ministry of Defence) of Basic+DA in a financial year.

The Current year contribution to pension fund has been paid @ 7% of Basic + DA in line with the MoD guidelines.

33. FINANCE COST

(₹ in Lakh)

Particulars	For the Year Ended 31 st March, 2024	For the Year Ended 31 st March, 2023
Interest expense		
Cash Credit	30.56	105.44
Short Term Overdrafts	-	3.44
Interest expenses on Lease Liability	720.57	716.51

Notes to Consolidated Financial Statements

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(₹ in Lakh)

Particulars	For the Year Ended 31 st March, 2024	For the Year Ended 31 st March, 2023
Interest - Others	30.91	0.27
Interest - Term Loan	2,675.47	1,747.55
Discount on issue of Commercial Paper	-	-
Total	3,457.51	2,573.21

34. OTHER EXPENSES

(₹ in Lakh)

Particulars	For the Year Ended 31 st March, 2024	For the Year Ended 31 st March, 2023
Travelling Expenses		
Travelling and conveyance	229.00	282.39
Hire of cars	27.36	37.43
Communication Expenses		
Postage & telephone	37.05	42.70
Repairs & maintenance expenses		
Buildings	703.10	700.26
Plant and machinery	871.67	699.20
Others	245.67	198.45
Rent, rates & taxes		
Rates and taxes	6.82	8.70
Rent	33.22	39.40
Printing and stationery		
Printing and stationery	15.55	11.98
Office maintenance expenses		
Security guard charges	962.25	789.16
Administration expenses-Others	291.15	192.30
Power & fuel		
Power and fuel	8,778.99	10,081.45
Sub-contractor expenses		
Sub-contractor expenses	8,313.18	9,329.80
General expenses		
CSR Expenses	477.02	393.42
Bad debts written off	103.95	53.50
Fixed Assets written off	25.55	4.65
Sales schemes	1,382.56	2,079.67
Library books	0.01	0.05
News paper and journals	1.01	0.71
Membership fees	21.82	20.04
Training expenses	24.18	19.05
Entertainment/courtesy expenses	1.84	2.81
Hostel/guest house expenses net of income	32.84	33.53
Business promotion expenses	68.35	406.00
Directors sitting fees	8.49	8.35
Factory expenses	251.05	144.71
Advertisement	46.50	76.99

Notes to Consolidated Financial Statements

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(₹ in Lakh)

Particulars	For the Year Ended 31 st March, 2024	For the Year Ended 31 st March, 2023
Water charges	230.41	197.96
Consumption of stores, loose tools and spare parts		
Consumption of stores, loose tools and spare parts	5,682.14	5,459.65
Insurance expenses		
Insurance	311.85	272.29
Professional charges		
Legal and professional fees	8.81	11.85
Internal Audit Fee	7.11	5.09
Consultancy charges	73.33	201.53
Contract professionals expenses	13.89	18.86
R& D Expenses		
R & D Contribution	2.36	30.37
Exchange fluctuation		
Exchange rate variance charged off	75.61	129.99
Auditors remuneration		
Auditor's remuneration	10.65	10.65
Finance & bank charges		
Bank charges	88.41	117.48
Provision for non moving inventories	41.35	138.98
Provision for Bad debts		
Provision for Doubtful Debts	-	291.84
Provision for Contingencies & Warranty		
Provision for Contingencies & Warranty	112.89	33.43
Total	29,618.99	32,576.67

Remuneration and other payments to the auditor

(₹ in Lakh)

Particulars	For the Year Ended 31 st March, 2024	For the Year Ended 31 st March, 2023
Auditor		
(a) Statutory Audit & Limited Review	9.25	9.25
(b) Tax Audit	1.40	1.40
(c) Other Services	-	-
Total	10.65	10.65

Details of Corporate Social Responsibility

(₹ in Lakh)

Particulars	For the Year Ended 31 st March, 2024	For the Year Ended 31 st March, 2023
Promoting Education	92.48	61.65
Promotion of Skill development and Women empowerment	112.82	-
Promotion of Health	251.27	207.63
Other Projects	20.45	124.14
Total	477.02	393.42

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Additional details of Corporate Social Responsibility (CSR)

(₹ in Lakh)

Sl. No.	Particulars	For the Year Ended 31 st March, 2024
(i)	Amount required to be spent by the company	454.68
(ii)	Amount of expenditure incurred	477.02
(iii)	Shortfall at the end of the year	0
(iv)	Total of previous years shortfall (For F.Y. 2022-23)	22.00
(v)	Reason for shortfall	No shortfall
(vi)	Nature of CSR activities	Promote Education, Skill development, Promote culture, Social and Sport activities, Promote health activities.
(vii)	Details of related party transactions	MIDHANI under CSR has envisaged to build a Primary Health Centre to provide medical services to the poor families residing in and around MIDHANI. The center shall cater to the basic needs of the patients by providing consultation, checkup, basic diagnostic tests & medicines at nominal charges. In F.Y. 2023-24, MIDHANI under CSR has spent an amount of ₹110/- lakh towards manpower, organizing various camps, infrastructure development etc. Out of which ₹ 40/- lakh has been contributed to MPHCC Trust towards payment of salaries to the staff working for MPHCC.
(viii)	Movement in provision with respect to liability incurred by entering into a contractual liability	Nil

35. INCOME TAX EXPENSE

This note provides an analysis of the Company's income tax expense, shows amounts that are recognised directly in the equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax positions.

(a) Income tax expense

(₹ in Lakh)

Particulars	For the Year Ended 31 st March, 2024	For the Year Ended 31 st March, 2023
Current tax		
Current tax on profits for the year	3,446.15	5,609.16
Earlier year tax	2.65	15.26
	3,448.80	5,624.42
Deferred tax		
Decrease (increase) in deferred tax liabilities	(510.32)	(440.29)
Total income tax expense	3,959.12	6,064.71

Notes to Consolidated Financial Statements

for FY 2023-24

(b) Reconciliation of tax expense and the accounting profit multiplied India's tax rate

(₹ in Lakh)

Particulars	For the Year Ended 31 st March, 2024		For the Year Ended 31 st March, 2023	
Profit before tax		13,054.18		21,644.58
Tax at Indian tax rate of 25.168%		3,285.47		5,447.50
Add:				
Depreciation under Companies Act	5,855.20		5,300.45	
Disallowances under Sec 43B	-		-	
Disallowances under Sec 43 B (h)	26.21			
Provision for Doubtful Debts	(297.89)		291.84	
Provision for non moving stores and spares	41.35		138.98	
R&D expenditure	-		-	
Provision for contingency & warranty	112.89		33.43	
Provision for obsolete items	-		-	
Provision for doubtful claims	-		-	
CSR Expenses	477.02		393.42	
OFB Deferred Exp (Net-off)	33.60		34.63	
VSSC Deferred Exp (Net-off)	-		-	
OFB-WPM Deferred Exp (Net off)	135.19		135.15	
AMTL Leave Provision	6.37		5.10	
Provision for Others	-		-	
Provision for advance to suppliers	-		-	
Others	-		(185.71)	
	6,389.94		6,147.29	
Less:				
Depreciation as per IT Act	5,753.71		5,506.57	
	5,753.71		5,506.57	
Taxable Income	636.23	160.13	640.72	161.26
Tax Liability		3,445.60		5,608.76
Interest		0.55		0.40
Earlier Year Tax		2.65		15.26
MAT Credit Entitlement		-		-
Deferred Tax		510.32		440.29
Total		3,959.12		6,064.71

Notes to Consolidated Financial Statements

for FY 2023-24

Financial instruments

36. Fair value measurements

A. Financial instruments by category

(₹ in Lakh)

Particulars	31 st March, 2024				31 st March, 2023			
	FVPL	FVOCI	Amortized Cost	Total	FVPL	FVOCI	Amortized Cost	Total
Financial assets								
Trade receivables	-	-	32,300.17	32,300.17	-	-	31,579.89	31,579.89
Cash and cash equivalents	-	-	1,661.37	1,661.37	-	-	1,441.54	1,441.54
Loans	-	-	-	-	-	-	-	-
Other financial assets	-	-	1,712.32	1,712.32	-	-	922.40	922.40
Total	-	-	35,673.86	35,673.86	-	-	33,943.83	33,943.83
Financial liabilities								
Borrowings	-	-	32,414.13	32,414.13	-	-	38,735.30	38,735.30
Trade payables	-	-	11,997.30	11,997.30	-	-	14,577.70	14,577.70
Lease Liabilities	-	-	10,850.37	10,850.37	-	-	10,129.80	10,129.80
Other financial liabilities	-	-	13,189.16	13,189.16	-	-	12,286.48	12,286.48
Total	-	-	68,450.96	68,450.96	-	-	75,729.28	75,729.28

Note : For the purpose of above abbreviations, FVPL - Fair value through profit and loss; FVOCI - Fair value through other comprehensive income; Amortized cost - Fair value through amortized cost.

- (1) Assets that are not financial assets (such as receivables from statutory authorities, export benefit receivables, prepaid expenses, advances paid and certain other receivables) as of March 31, 2024, March 31, 2023 respectively, are not included.
- (2) Other liabilities that are not financial liabilities (such as statutory dues payable, deferred revenue, advances from customers and certain other accruals) as of March 31, 2024, March 31, 2023 are not included.

(i) Fair value of financial asset and financial liabilities measured at amortized cost

The carrying amounts of trade receivables, trade payables, borrowings, cash and cash equivalents and other current financial liabilities are considered to be the same as their fair values, due do their short-term nature.

37. Financial risk management

Risk management framework

The Company has a Board approved Risk Management Policy and the Risks involved at the various processes in the Company are also being discussed in the internal Production Review Meetings and Corporate Management Committee Meetings. The identification of the risk elements faced by the company is listed out in Management Discussion and Analysis and also listed out in the form of SWOT analysis.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company has put in place all required internal controls and systems to meet all the canons of financial propriety. External Audit firms who were engaged to carry out internal audit, continue their efforts to ensure adequacy of such systems, controls and report thereon which were subject to periodical review by Audit Committee appointed by the Board.

Notes to Consolidated Financial Statements

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The Board of Directors monitors the compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Company has exposure to the following risks arising from financial instruments:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables	Aging analysis	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Further quantitative disclosures are included throughout these consolidated financial statements.

i. Credit risk

a) Credit risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Company's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. Majority of trade receivables of the Company, originate from Government owned entities, which are not exposed to high risk, the Company is making specific provisions based on case to case reviews and approved by Board. Whereas, for other customers risk is measured using the expected credit loss provisional matrix and provision is recognized accordingly.

b) Provision for expected credit loss

The Company provides for expected credit loss based on the following :

Expected credit loss for loans, security deposits

The Company's loans and security deposits are high quality assets having negligible credit risk, hence expected credit loss have not been computed

Expected credit loss for trade receivables

c) Reconciliation of loss allowance provision - trade receivables

	(₹ in Lakh)
Loss allowance on 31st March, 2023	2,150.63
Changes in loss allowance	(59.64)
Loss allowance on 31st March, 2024	2,090.99

Expected credit loss on trade receivables has been disclosed in note 11.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

Notes to Consolidated Financial Statements

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At March 31, 2024, the maximum exposure to credit risk for trade receivables by geographic region was as follows.

Particulars	Carrying amount (₹ in Lakh)	
	March 31, 2024	March 31, 2023
India	33,423.41	32,515.18
Outside India	967.75	1,215.34
	34,391.16	33,730.52

At March 31, 2024, the maximum exposure to credit risk for trade receivables by type of counterparty was as follows:

Particulars	Carrying amount (₹ in Lakh)	
	March 31, 2024	March 31, 2023
Government, Government undertakings and other secured debts	32,353.36	32,263.13
Others	2,037.80	1,467.39
	34,391.16	33,730.52

Impairment

Majority of trade receivables originate from Government owned entities, which are not exposed to high risk, the Company is making specific provisions based on case to case reviews and approve by Board. Whereas, for private customers, provision is determined using expected credit loss provisional matrix.

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 1,647.66 Lakh at March 31, 2024 (March 31, 2023: ₹ 1,429.11 Lakh).

The Company is investing in Fixed Deposits with various banks empanelled by the Investment Committee which is approved by the Board. All such deposits are made only with the approval of the Investment Committee. Further, management believes that cash and cash equivalents are of low risk in nature and hence no impairment has been recognized.

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Company ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Company maintains the following lines of credit.

Notes to Consolidated Financial Statements

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Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

(₹ in Lakh)

Contractual maturities of financial liabilities	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 year to 2 years	Between 2 years to 5 years	More than 5 Years	Total
31st March, 2024							
Non derivatives							
Borrowings	500.00	25,000.00	1,000.00	2,000.00	3,914.13		32,414.13
(Current and Non-current)							
Trade payables	11,793.44	100.76	103.10	-	-		11,997.30
Lease Liabilities	2,725.88	8.18	16.37	35.69	178.20	7,886.05	10,850.37
Other financial liabilities	1,584.58	10,137.28	1,357.47	-	-	109.83	13,189.16
Total non-derivative liabilities	16,603.90	35,246.22	2,476.94	2,035.69	4,092.33	7,995.88	68,450.96

iii. Market risk

(a) Foreign currency risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Since majority of the company's operations are being carried out in India and since all the material balances are denominated in its functional currency, the company does not carry any material exposure to currency fluctuation risk.

(b) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The Company's external borrowings carries a fixed interest rate of 7.02% per annum, hence, no interest rate risk has been determined.

38. Capital Management

(a) Risk management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. In comparison the weighted average interest expense on interest-bearing borrowings (excluding liabilities with imputed interest) was 7.02 percent (2023: 7.25 percent).

Notes to Consolidated Financial Statements

for FY 2023-24

The Company's debt to adjusted capital ratio at the end of the reporting period was as follows:

(₹ in Lakh)

Particulars	As at 31 st March, 2024
Total liabilities	1,58,626.41
Less : Cash and cash equivalent	1,647.66
Adjusted net debt	1,56,978.75
Total equity	1,31,916.34
Less : Hedging reserve	-
Adjusted equity	1,31,916.34
Adjusted net debt to adjusted equity ratio	1.19

39. Operating segments

The Company is in the business of manufacturing of super alloys and other special metals. As the Company is engaged in defence production, exemption was granted from applicability of Accounting Standard on Segment reporting under sec 129 of Companies Act, 2013 vide Notification dated 23rd February, 2018 of Ministry of Corporate Affairs.

40. Related party transactions

The President of India has an ownership interest of 74.00 %. MIDHANI is thus a Government entity under the administrative control of Ministry of Defence (MoD) and is exempt from detailed disclosures as required under Ind AS 24 with respect to related party transactions with Government and Government related entities.

Transactions with key management personnel

Key management personnel compensation

(₹ in Lakh)

Name of the party	31 st March, 2024					31 st March, 2023
	Salaries & wages	PF & EPS	Gratuity	Leave encashment	Total	Total
(a) Dr. Sanjay Kumar Jha, C&MD	73.05	7.06	15.95	-	96.06	81.77
(b) Shri N Gowri Sankara Rao, Director (F)	55.65	5.88	-	5.63	67.16	54.27
(c) Shri Muthu Kumar, Director (P & M)	58.11	7.69	-	16.13	81.93	47.84
(d) Shri Paul Antony, CS	17.95	2.14	-	3.02	23.11	19.33
Total	204.76	22.77	15.95	24.78	268.26	203.21

Notes to Consolidated Financial Statements

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41. Contingent liabilities and commitments (to the extent not provided for)

Particulars	31 st March, 2024 (₹ in Lakh)	31 st March, 2023 (₹ in Lakh)
(i) Contingent liabilities		
Claims against the company not acknowledged as debt	18,322.89	10,887.33
Bank Guarantees	3,225.77	2,710.14
Letter of credit outstanding	6,361.34	7,567.48
Provisional Liquidated Damages on unexecuted customer order where the delivery date has expired	3,224.00	3,624.00
	31,134.00	24,788.95

Particulars	31 st March, 2024 (₹ in Lakh)	31 st March, 2023 (₹ in Lakh)
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Capital commitments)	3,465.43	7,576.31
	3,465.43	7,576.31

42. Earnings per share (EPS)

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

i. Profit attributable to Equity holders of company

Particulars	31 st March, 2024	31 st March, 2023
Profit attributable to equity holders of the Company (₹ in Lakh)	9,178.18	15,626.45
Weighted average number of equity shares outstanding during the period	18,73,40,000	18,73,40,000
Face value of share (₹)	10	10
Earnings per share basic and diluted (₹ per share)	4.90	8.34

43. Imported Consumption

Particulars	31 st March, 2024 (₹ in Lakh)	31 st March, 2023 (₹ in Lakh)
Raw Material	39,689.87	32,582.15
Consumables and Spares	484.88	518.06
Total	40,174.75	33,100.21

44. The Company has used the borrowings from banks for the specific purpose for which it was taken as at 31st March, 2024 and 31st March, 2023.

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45. Additional Regulatory Information

- (i) Title deeds of Immovable Properties not held in name of the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee)

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ in Lakh)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
PPE	Land	128.82	DMRL, Ministry of Defence. However, in some land award proceedings, Midhani's name is mentioned as Super Alloy Plant at DMRL.	No	Since 1975/1977/1985/ 1986	Conveyance Deed for 275 Acres and 35 Guntas of land acquired which are through various Allotment/Award Letters/GO's are yet to be executed in the name of the Company. Most of them are allotted/granted by the undivided Govt. of AP earlier. In the said Grant proceedings, Midhani is mentioned as Super Alloy Plant of DMRL (Defence Organization). Further, out of this 1.5 Acres land is under dispute on account of unauthorized occupancy by third party.
	Building	-	-	-	-	-
Investment Property	Land					
	Building				Not Applicable	
	Land				Not Applicable	
	Building				Not Applicable	
Others					Not Applicable	

- (ii) During the year, the Company has not revalued its Property, Plant and Equipment and Intangible Assets.
- (iii) The Company has not granted Loans or Advances in the nature of loans to Promoters, Directors, KMP, and the related parties as defined under Companies Act, 2013, either severally or jointly with any other person.
- (iv) **Capital-Work-in Progress (CWIP) ageing schedule.**

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	2489.86	4999.68	14	802.21	8305.75
Projects temporarily suspended	-	-	-	-	-

- (v) The quarterly returns or statements of current assets filed by the Company with banks where the Company has borrowings as on 31st March, 2024 are in agreement with the books of accounts.
- (vi) The Company has not made any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Notes to Consolidated Financial Statements

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(vii) The Company has created or modified the charges with Registrar of Companies (ROC) within the statutory period as specified in the Companies Act, 2013.

(viii) The Company has no subsidiary hence Section 2 (87) not applicable.

(ix) Analytical Ratios

Ratio	Numerator	Denominator	31 st March, 2024	31 st March, 2023	% of variance	Reason for variance (For more than 25 %)
Current Ratio	Current Assets	Current Liabilities	2.28	2.18	4.59%	0
Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.25	0.30	-16.67%	0
Debt Service Coverage Ratio	EBITDA	Debt service (Interest & Principal repayments)	0.63	0.72	-12.50%	0
Return on Equity (%)	Net profit after tax	Average Shareholder's Equity	7.05%	12.63%	-44.18%	Reduction in Profit After Tax
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	0.75	0.57	31.58%	Increase in Raw Material Cost
Trade Receivable Turnover Ratio	Net Credit Sales	Average Trade Receivables	3.36	2.8	20.00%	0
Trade Payable Turnover Ratio	Net Credit Purchases	Average Trade Payables	4.44	2.26	96.46%	Increase in Raw Material purchase
Net Capital Turnover Ratio	Net Sales	Working capital	1.08	0.93	16.13%	0
Net Profit Ratio (%)	Net profit after tax	Net Sales	8.56%	17.92%	-52.23%	Reduction in Profit After Tax
Return on Capital Employed (%)	EBIT	Capital Employed	11.67%	17.43%	-33.05%	Reduction in Profit After Tax
Return on Investment (%)			Not applicable			

46. As at 31st March, 2024, the company does not have any outstanding Commercial Paper and therefore, the disclosure requirements as per updated SEBI circular: SEBI/HO/DDHS/P/CIR/2021/613 dated 13th April, 2022 on "Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper", information as required under regulation 52(4) of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 is not applicable.

47. The Company has leases for various assets referred to in Note 3 of financial statements. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Company classifies its right-of-use assets in a consistent manner to its Property, plant and equipment (Refer Note 3) The maturity analysis of Contractual Cash flows of Lease Liabilities is disclosed at Note 37(ii) of the financial statements.

Notes to Consolidated Financial Statements

for FY 2023-24

48. The previous period figures have been regrouped/reclassified, wherever necessary to conform to the current presentation.

49. Disclosure of additional information

(a) As at and for the year ended 31st March, 2024

Name of the entity in the Group	Net Assets i.e. total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	AS % of consolidated net assets	Amount	AS % of consolidated profit or loss	Amount	AS % of consolidated other comprehensive income	Amount	AS % of consolidated total comprehensive income	Amount
Joint Ventures (Accounting as per equity method) Utkarsha Aluminium Dhatu Nigam Limited	2.99%	3,944.08	0.56%	51.86	0.00%	-	0.57%	51.86

(b) As at and for the year ended 31st March, 2023

Name of the entity in the Group	Net Assets i.e. total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	AS % of consolidated net assets	Amount	AS % of consolidated profit or loss	Amount	AS % of consolidated other comprehensive income	Amount	AS % of consolidated total comprehensive income	Amount
Joint Ventures (Investment as per equity method) Utkarsha Aluminium Dhatu Nigam Limited	2.99%	3,840.35	0.25%	38.84	0.00%	-	0.25%	38.84

Notes to Consolidated Financial Statements

for FY 2023-24

50. Salient features of joint venture

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF
ASSOCIATE COMPANIES / JOINT VENTURES (FORM AOC-1)

Part "B": Associates and Joint Ventures

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

Name of Associates / Joint Ventures	Joint Venture
	Utkarsha Aluminium Dhatu Nigam Limited
1. Latest audited Balance Sheet Date	31.03.2024
2. Shares of Associate / Joint Ventures held by the company on the year end	
No.	2,00,00,000
Amount of Investment in Associates / Joint Ventures (₹)	20,00,00,000
Extent of Holding %	50.00%
3. Description of how there is significant influence	[refer note 50.2]
4. Reason why the associate / joint venture is not consolidated	-
5. Networth attributable to share holding as per latest audited Balance Sheet (₹)	19,72,04,000
6. Profit / (Loss) for the year (₹)	
i. Considered in Consolidation	51,86,500.00
ii. Not Considered in Consolidation	-

Note:

50.1 The JV Company has not commenced its operations.

50.2 Voting power as per the percentage of equity held.

Subject to our report of even date

for **GANDHI & GANDHI**
Chartered Accountants
Firm's registration no. 000849S

Sd/-
CA Rama Mohan Giri
Partner
Membership No.29478

Place: Hyderabad
Date: 29-05-2024

for and on behalf of the Board of Directors

Sd/-
Dr. Sanjay Kumar Jha
Chairman & Managing Director
DIN: 07533036

Sd/-
Shri. Gowri Sankara Rao Naramsetti
Director (Finance)
DIN: 08925899

Sd/-
Shri Paul Antony
Company Secretary
Memb. No.A29037

Corporate information

Registered Office

Hyderabad, Telangana

P.O. Kanchanbagh, Hyderabad -500058
Tel. No: 040-2418 4515, Fax No: 040-2956 8502
Website: www.midhani-india.in

Regional / Commercial Office

New Delhi (Regional Office)

Core- 6, Floor – 1, Scope Complex, 7 Lodhi Road,
New Delhi – 110070
Tel No. : 011-4166 6375, Fax: 011-2436 6466

Rohtak, Haryana (Armour Unit)

Mishra Dhatu Nigam Limited, Plot No. 8 & 13,
Sector 30 A, IMT, Rohtak, Haryana- 124 001

Statutory Auditors

GG & Company, Chartered Accountants
(formerly Gandhi & Gandhi, Chartered Accountants)

Cost Auditors

BVR & Associates, Cost Accountants

Secretarial Auditors

D. Hanumanta Raju & Co., Company Secretaries

Bankers

HDFC Bank Limited

State Bank of India

Union Bank (formerly Andhra Bank)

Registrar & Transfer Agent

Alankit Assignments Limited,
4E/2 Jhandewalan Extension, New Delhi -110 055
Tel: 011-4254 1234 / 2354 1234; Fax: 011- 4254 1201
Email: rta@alankit.com

Investor Relations

Shri Paul Antony

Company Secretary & Compliance Officer

P.O Kanchanbagh, Hyderabad- 500058
Tel- 040-2418 4515
Fax: 040-2956 8502
Email: company.secretary@midhani-india.in



Registered Office

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