



MDN/CS/COMPLIANCE/2022-23

May 27, 2022

BSE Limited,
P.J. Towers, 1st Floor,
Dalal Street
Mumbai- 400001

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

Scrip Code: 541195

Trading Symbol: MIDHANI

Sub: Annual Secretarial Compliance Report for the year ended March 31, 2022 - Regulation 24 (A)(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended ("SEBI LODR")

Dear Sir/Madam,

In terms of SEBI Circular bearing no. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 and Regulation 24A(2) of the SEBI LODR, please find enclosed Annual Secretarial Compliance Report of Mishra Dhatu Nigam Limited for the financial year ended March 31, 2022.

This is for your information and records.

Thanking you

Yours faithfully,

For Mishra Dhatu Nigam Limited



Paul Antony

Company Secretary & Compliance officer

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

Encl: As above

मिश्र धातु निगम लिमिटेड

(भारत सरकार का उद्यम)

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

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

निगमित पहचान सं. CIN: L14292TG1973GOI001660

वेबसाइट Website: www.midhani-india.in

MISHRA DHATU NIGAM LIMITED

(A Govt. of India Enterprise)

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

Secretarial Compliance Report of Mishra Dhatu Nigam Limited for the year ended 31st March, 2022.

We have examined:

- all the documents and records made available to us and explanation provided by **MISHRA DHATU NIGAM LIMITED** ("the listed entity"),
- the filings/ submissions made by the listed entity to the Stock Exchanges,
- website of the listed entity,
- any other document/ filing, as may be relevant, which has been relied upon to make this certification,

For the year ended 31st March, 2022 ("Review Period") in respect of compliance with the provisions of:

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

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

- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended;
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Company during the review period)**
- Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended;
- Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable to the Company during the review period)**
- Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable to the Company during the review period)**
- Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the review period)**




- (g) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations,2013; (Not Applicable to the Company during the review period)
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;
- (i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (j) Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993; (Not Applicable to the Company during the review period);
- (k) Framework for listing of Commercial Paper, issued by SEBI vide Circular SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated 22nd October, 2019.

And Circulars/ guidelines issued thereunder;

And based on the above examination, we hereby report that, during the Review Period:

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

Sr. No.	Compliance Requirement (Regulations / Circulars / Guidelines including Specific Clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	Regulation 17(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: The Board of Directors shall have an optimum combination of executive and non-executive Directors with at least one-Woman Director and not less than 50% of the Board of Directors shall comprise of Non-Executive directors.	As on 31 st March, 2022, the Board of Directors of the Listed Entity does not have at least one-Woman Director on their Board and the Composition of the Board of Directors does not comprise of at least 50% of the Directors as Non-Executive Directors till 24 th December, 2021.	As required under Regulation 17(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Listed Entity does not have at least one-Woman Director on their Board and the Composition of the Board of Directors does not consist of at least 50% of the Directors as Non-Executive Directors till 24 th December, 2021.
2.	Proviso to Regulation 17(1)(a) of the SEBI (Listing Obligations	During the review period, the Listed Entity	As on 31 st March, 2022, the Listed Entity does not



Sr. No.	Compliance Requirement (Regulations / Circulars / Guidelines including Specific Clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
	<p>and Disclosure Requirements) Regulations, 2015:</p> <p>The Board of Directors of the top 500 listed entities shall have at least one Independent Woman Director by April 1, 2019 and the Board of Directors of the top 1000 listed entities shall have at least one Independent Woman Director by April 1, 2020.</p>	<p>being one of the top 500 Listed Entity does not have at least one Independent Woman Director on their Board.</p>	<p>have at least one Independent Woman Director on their Board as required under proviso to Regulation 17(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</p>
3.	<p>Regulation 17(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:</p> <p>Where the listed entity does not have a regular Non-Executive Chairperson then at least half of the Board of Directors shall comprise of Independent Directors.</p>	<p>Since, the Chairman of the Listed Entity is an Executive Director, the Listed Entity shall have at least half of the Board of Directors as Independent Directors.</p> <p>However, as on 31st March, 2022 the Listed Entity have only one Independent Director on their Board.</p>	<p>As required under Regulation 17(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Listed Entity does not have at least half of the Board of Directors as Independent Directors.</p>
4.	<p>Regulation 17(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:</p> <p>The Board of directors of the top 1000 listed entities (with effect from April 1, 2019) and the top 2000 listed entities (with effect from April 1, 2020) shall comprise of not less than six directors.</p>	<p>As on 31st March, 2022 have only 4 Directors on their Board.</p>	<p>As on 31st March, 2022, the Listed Entity does not have at least 6 Directors on their Board as required under Regulation 17(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,</p>



Sr. No.	Compliance Requirement (Regulations / Circulars / Guidelines including Specific Clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
5.	<p>Regulation 17 (2A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:</p> <p>The quorum for every meeting of the board of directors of the top 1000 listed entities with effect from April 1, 2019 and of the top 2000 listed entities with effect from April 1, 2020 shall be one-third of its total strength or three directors, whichever is higher, including at least one Independent Director.</p>	<p>There was no Independent Director on the Board of the Listed Entity till 24th December, 2021. Therefore, the quorum for the Board Meetings held on 24th June, 2021, 12th August, 2021, 09th November, 2021 was not as per Regulation 17 (2A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</p>	<p>The quorum for the Board Meetings held on 24th June, 2021, 12th August, 2021 and 09th November, 2021 was not in line with the provisions of the Regulation 17 (2A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</p>
6.	<p>Regulation 18(1)(a)&(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:</p> <p>Every listed entity shall constitute Independent Audit Committee with minimum 3 Directors as its members and with Two-thirds of its members as the Independent Directors.</p>	<p>During the review period, the Listed Entity does not have Audit Committee as there are no Independent Directors on their Board.</p>	<p>During the review period, there was no Audit Committee constituted by the Listed Entity as required under Regulation 18(1)(a) and (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</p>
7.	<p>Regulation 18(2)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:</p> <p>- The Audit Committee shall meet at least four times in a year and not more than one hundred and twenty days</p>	<p>Since, there was no Audit Committee constituted by the Listed Entity. Therefore, there was no Audit Committee Meetings held during the review period.</p>	<p>As required under Regulation 18(2)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee did not meet atleast 4 times in a year as there was no Audit Committee</p>



Sr. No.	Compliance Requirement (Regulations/ Circulars/ Guidelines including Specific Clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
	shall elapse between two meetings.		constituted by the Listed Entity due to non-presence of Independent Directors on the Board.
8.	<p>Schedule II Part C of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:</p> <p>Role of the Audit Committee and Review of information by the Audit Committee.</p>	As there was no Audit Committee constituted by the Listed Entity the role and the review of minimum information was undertaken by the Board instead of Audit Committee.	<p>During the review period, the Listed Entity does not have Audit Committee due to non-presence of Independent Directors on the Board. Accordingly, the role and the review of minimum information by the Audit Committee could not be undertaken as required under Schedule II Part C of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</p> <p>Note: However, the Board had undertaken the role and reviewed the minimum information as required to be undertaken by the Audit Committee.</p>
9.	<p>Regulation 19(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:</p> <p>The Board of Directors shall constitute the Nomination & Remuneration Committee (NRC) comprising of minimum 3 Directors and all of them shall be non-executive directors and</p>	During the review period, the Listed Entity does not have requisite number of Independent Directors and Non-Executive Director on their Board, therefore there was no NRC constituted.	During the review period, there was no NRC constituted by the Listed Entity as required under Regulation 19(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.




Sr. No.	Compliance Requirement (Regulations / Circulars / Guidelines including Specific Clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
	atleast 50% of the directors shall be independent directors.		
10.	<p>Regulation 19(3A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:</p> <p>The Nomination & Remuneration Committee shall meet at least once in a year.</p>	<p>Since, there was no NRC constituted by the Listed Entity. Therefore, there was no NRC Meetings held during the review period.</p>	<p>During the review period, the NRC did not meet at least once in a year as there was no NRC constituted by the Board due to non-presence of requisite number of Independent Directors and Non-Executive Directors on their Board as required under Regulation 19(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,</p>
11.	<p>Regulation 20(1), (2) &(2A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:</p> <p>The Stakeholders Relationship Committee shall comprise of at least three directors, with at least one being an independent Director and the Chairman shall be a Non-Executive Director.</p>	<p>During the review period, the Listed Entity does not have a Stakeholders Relationship Committee.</p>	<p>As on 31st March, 2022, there was no Stakeholders Relationship Committee constituted by the Listed Entity as required under Regulation 20 (2A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</p>
12.	<p>Regulation 20(3A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:</p>	<p>Since, there was no Stakeholders Relationship Committee constituted. Therefore, there was no Stakeholders Relationship Committee</p>	<p>During the review period, the Stakeholders Relationship Committee has not met at least once in a year as there is no Stakeholders Relationship Committee constituted as required under</p>





Sr. No.	Compliance Requirement (Regulations / Circulars / Guidelines including Specific Clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
	The Stakeholders Relationship Committee shall meet at least once in a year.	Meeting(s) held during the review period.	Regulation 20 (3A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
13.	<p>Regulation 21(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:</p> <p>The Board of directors shall constitute a Risk Management Committee.</p>	There was no Risk Management Committee constituted till 07 th January, 2022 by the Listed Entity due to non-presence of Independent Directors on their Board.	There was no Risk Management Committee constituted till 07 th January, 2022 due to non-presence of Independent Directors on the Board of the Listed Entity as required under Regulation 21(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
14.	<p>Regulation 21(3A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:</p> <p>The Risk Management Committee shall meet at least twice in a year.</p>	During the review period, the Risk Management Committee has met only one time i.e. on 29 th March, 2022 against the requirement of meeting two times in a year.	During the review period, the Risk Management Committee has not met at least twice in a year as required under Regulation 21 (3A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.
15.	<p>Regulation 25 (3) & (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:</p> <p>- The Independent Directors of the listed entity shall hold at least one meeting in a financial year, without the presence of</p>	During the review period, no separate Meeting of Independent Directors was held and there was no review of performance of the Non-Independent Directors, Chairperson and the	During the review period, there was no separate Meeting of Independent Directors held during the year and there was no review of performance of the Non-Independent Directors, Chairperson and the Board of Directors




Sr. No.	Compliance Requirement (Regulations / Circulars / Guidelines including Specific Clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
	<p>non-independent directors and members of the management and all the independent directors shall strive to be present at such meeting.</p> <p>- The Independent Directors in such meeting shall inter-alia review the performance of the non-Independent Directors, Chairperson and the Board of Directors as whole and assess the quality and quantity and timeliness of flow of information between management and the Board.</p>	Board of Directors as a Whole.	as Whole as required under Regulation 25 (3) & (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.

(c) The following are the action taken against the listed entity/~~its promoters/ directors/ material subsidiaries either by SEBI or~~ by the Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
1.	BSE Limited	<p>Regulation 27(2) Non-compliance/Discrepancies with respect to the following:</p> <p>1. Non-executive Directors on the Board of Mishra Dhatu Nigam Ltd is 1 which is less than 50% of</p>	An email dated 16 th November, 2021 was received by the Company specifying the non-compliances for the quarter ended 30 th September, 2021. Further, no fine was imposed on the Company.	Listed Entity had replied to the Stock exchanges on the said matters stating that the Company is a Defence Public Sector Unit (DPSU) under the administrative control of Ministry of Defence, Department of



	<p>the board strength. Total number of Directors are 3 on Board.</p> <p>2. Chairperson of Board of Mishra Dhatu Nigam Ltd is not a non-executive director but the number of Independent Directors is 0 which is less than half of the BoD strength. Total number of directors are 3 on board.</p> <p>3. Mishra Dhatu Nigam Ltd does not have Woman Director on the board.</p> <p>4. Number of Directors on the Board of Mishra Dhatu Nigam Ltd is 3 which is less than 6.</p> <p>5. Mishra Dhatu Nigam Ltd does not have Independent Woman Director on the board.</p>		<p>Defence Production, Government of India.</p> <p>Since, the Listed Entity is a DPSU the appointments of Directors on the Board are taken care by Ministry of Defence (MoD) Department of Defence Production</p> <p>The term of the 3 independent Directors i.e., Shri I. V. Sarma, Dr. Jyoti Mukhopadhyay and Dr. Usha Ramachandra (Woman Independent Director) ended on 30th November, 2019.</p> <p>Further, the term of the Shri. Surendra Sinh, Independent Director was ended on 08th October, 2020.</p>
	<p><u>Non-compliance/Late Compliance with respect to Quarter ended 30th June, 2021:</u></p> <p>1. Regulation 17(1) - Non-compliance with the requirements pertaining to the composition of the Board including failure to appoint woman director.</p> <p>2. Regulation 17(2A) - Non-compliance with the requirements pertaining to quorum of Board meetings.</p> <p>3. Regulation 18(1) -</p>	<p>Fine of Rs. 14,07,740 including GST imposed on the Company for the quarter & half year ended 31st March, 2021 & quarter ended 30th June, 2021 vide email dated 20th August, 2021.</p>	<p>Consequent to aforementioned vacations, the composition of Listed Entity Board and its committees is not in line with applicable provisions SEBI (Listing Obligations and Disclosure Requirements), 2015 (SEBI Listing Regulations)</p> <p>Further, the Board of MIDHANI in its Meeting held on 11th November, 2020 suspended all the Board Level Committees till such time the Independent Directors are appointed on the Board of MIDHANI by Govt of India.</p>



		<p>Non-compliance with the constitution of audit committee.</p> <p>4. Regulation 19(1)/ 19(2) - Non-compliance with the constitution of nomination and remuneration committee.</p> <p>5. Regulation 20(2)/(2A) - Non-compliance with the constitution of stakeholder relationship committee.</p> <p>6. Regulation 21(2) - Non-compliance with the constitution of risk management committee.</p>		<p>Accordingly, the Listed Entity has informed this matter to the Administrative Ministry i.e. Ministry of Defence well in advance for appointment of requisite Independent Director on the Board of the Company through various correspondences.</p> <p>The process of appointment of Directors by MoD is followed by multi-level approvals and the Listed Entity has no role apart from timely intimation to MoD regarding vacancies.</p>
		<p><u>Non-compliance/ Late Compliance with respect to Quarter ended 30th September, 2021:</u></p> <p>1. Regulation 17(1) - Non-compliance with the requirements pertaining to the composition of the Board including failure to appoint woman director.</p> <p>2. Regulation 17(2A) - Non-compliance with the requirements pertaining to quorum of Board Meetings.</p> <p>3. Regulation 18(1) - Non-compliance with the constitution of Audit Committee.</p> <p>4. Regulation 19(1)/ 19(2) - Non-compliance with the constitution of nomination</p>	<p>Fine of Rs. 14,23,080 including GST imposed on the Company vide email dated 22nd November, 2021.</p>	<p>As the Listed Entity is not responsible for appointment of directors, it has requested for the waiver of the penalty imposed by both Stock Exchanges.</p> <p>Accordingly, the said matter was placed before the respective committees of the Stock Exchanges.</p> <p>The Committees after considering the facts of the case and the Listed Entity's representation is yet to decide on the waiver of the fines levied for non-compliance under SEBI Listing Regulations.</p> <p>BSE Limited vide their email dated April 19, 2021 waived off penalty for quarter</p>




		<p>and remuneration committee.</p> <p>5. Regulation 20(2)/(2A) - Non-compliance with the constitution of stakeholder Relationship Committee.</p> <p>6. Regulation 21(2) - Non-compliance with the constitution of Risk Management Committee.</p>		<p>ended on September 2021 & December 2021.</p>
		<p><u>Non-compliance/Late Compliance with respect to Quarter ended 30th September, 2021:</u></p> <p>1. Regulation 17(1) - Non-compliance with the requirements pertaining to the composition of the Board including failure to appoint woman director.</p> <p>2. Regulation 17(2A) - Non-compliance with the requirements pertaining to quorum of Board Meetings.</p> <p>3. Regulation 18(1) - Non-compliance with the constitution of Audit Committee.</p> <p>4. Regulation 19(1)/ 19(2) - Non-compliance with the constitution of nomination and remuneration committee.</p> <p>5. Regulation 20(2)/(2A) - Non-compliance with the constitution of stakeholder Relationship Committee.</p>	<p>Fine of Rs. 14,23,080 including GST imposed on the Company for the quarter ended 31st December, 2021 vide email dated 21st February, 2022.</p>	




		<p>6.Regulation 21(2) - Non-compliance with the constitution of Risk Management Committee.</p> <p><u>Non-compliance/ Late Compliance with respect to Quarter ended 31st March, 2021:</u></p> <p>1. Regulation 17(1) - Non-compliance with the requirements pertaining to the composition of the Board including failure to appoint woman director.</p> <p>2.Regulation17(2A) - Non-compliance with the requirements pertaining to quorum of Board Meetings.</p> <p>3. Regulation 18(1) - Non-compliance with the constitution of Audit Committee.</p> <p>4.Regulation19(1)/19(2) - Non-compliance with the constitution of nomination and remuneration committee.</p> <p>5. Regulation 20(2)/(2A) - Non-compliance with the constitution of stakeholder relationship committee.</p> <p>6.Regulation 21(2) - Non-compliance with the constitution of Risk Management Committee.</p>		
2.	National Stock	<p><u>Observations:</u></p> <p><u>1. Regulation 17 -</u></p>	An email was received by the Company from NSE specifying the non-	




Exchange Limited	<p>Provisions pertaining to Board Composition:</p> <p>1.1) Half of the board is not Independent.</p> <p>1.2) No Woman Director on the Board.</p> <p>1.3) Half of the Board is not non-Executive.</p> <p>1.4) No Woman Independent Director on the Board.</p> <p>1.5) Number of the board member is less than six.</p> <p>2. Regulation 18 - Audit Committee is not constituted.</p> <p>3. Regulation 19 - Nomination and Remuneration Committee is not constituted.</p> <p>4. Regulation 20 - Stakeholders Relationship Committee is not constituted.</p> <p>5. Regulation 21 - Risk Management Committee is not constituted.</p> <p>6. Provisions pertaining to Audit Committee Meetings</p> <p>Reason:</p> <p>Gap between two consecutive Audit Committee Meeting is more than 120 days for quarter ended June 30, 2021.</p>	<p>compliances for the quarter ended 30th June, 2021. Further, no fine was imposed on the Company.</p>	
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	<p>7. Quorum not meet for the Board Meeting held on June 24, 2021.</p> <p>Observations:</p> <p>1. Regulation 17 - Provisions pertaining to Board Composition:</p> <p>1.1) One third/Half of the board is not Independent.</p> <p>1.2) No Woman Director on the Board.</p> <p>1.3) No Woman Independent Director on the Board.</p> <p>1.4) Number of the board member is less than six.</p> <p>2. Regulation 18 - Provisions pertaining to Audit Committee Composition:</p> <p>2.1) Number of member is less than three.</p> <p>2.2) Chairperson of the Committee is not Independent.</p> <p>3. Regulation 19 - Provisions pertaining to Nomination and Remuneration Committee Composition:</p> <p>3.1) Number of member is less than three.</p> <p>3.2) Previous Quarter Non-Compliance.</p> <p>4. Regulation 20 -</p>	<p>An email was received by the Company from NSE specifying the non-compliances for the quarter ended 31st December, 2021. Further, no fine was imposed on the Company.</p>	
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	<p>Provisions pertaining to Stakeholders Relationship Committee Composition:</p> <p>4.1) Chairperson of the committee is not Non-Executive Director.</p> <p>4.2) Number of member is less than three.</p> <p>4.3) No Independent Director on the Committee.</p> <p>5. Regulation 21 -</p> <p>Provisions pertaining to Risk Management Committee Composition:</p> <p>5.1) Half of the members of the committee are not Board Members</p> <p>5.2) Chairperson of the committee are not Board Members</p> <p>5.3) Number of members is less than three</p> <p>5.4) At least one member should be an Independent Director in Risk Management Committee.</p> <p>6. Provisions pertaining to Audit Committee Meetings</p> <p>Reason:</p> <p>6.1) Gap between two consecutive Audit Committee Meeting is more than 120 days for quarter ended.</p> <p>6.2) Quorum not met for the Audit Committee Meeting held on.</p>		
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		<p>7. Quorum not meet as no Board Meeting held during the quarter.</p>		
		<p>Non-compliance with respect to the following provisions for the quarter ended 31st December, 2021: Regulation 17(1), 17(2A), 18(1), 19(1)/19(2), 20, 21 of SEBI (LODR) Regulations, 2015.</p>	<p>Fine of Rs. 14,23,080 including GST imposed on the Company for the quarter ended 31st December, 2021 vide email dated 21st February, 2022.</p>	
		<p>Non-compliance with respect to the following provisions for the quarter ended 30th June, 2021: Regulation 17(1), 17(2A), 18(1), 19(1)/19(2), 20, 21 of SEBI (LODR) Regulations, 2015.</p>	<p>Fine of Rs. 14,07,740 including GST imposed on the Company for the quarter ended 30th June, 2021 vide email dated 20th August, 2021.</p>	
		<p>Non-compliance with respect to the following provisions for the quarter ended 31st March, 2021: Regulation 17(1), 18, 19, 20, 21, 17(2A) of SEBI (LODR) Regulations, 2015.</p>	<p>Fine of Rs. 12,90,920 including GST imposed on the Company for the quarter ended 31st March, 2021 vide email dated 17th May, 2021.</p>	
		<p>Non-compliance with respect to the following provisions for the quarter ended 30th September, 2021: Regulation 17(1), 17(2A), 18(1), 19(1)/19(2), 20, 21 of SEBI (LODR) Regulations, 2015.</p>	<p>Fine of Rs. 14,23,080 including GST imposed on the Company for the quarter ended 30th September, 2021 vide email dated 22nd November, 2021.</p>	
		<p>1. Regulation 17 - Provisions pertaining to Board Composition: 1.1) Half of the board is not Independent.</p>	<p>An email was received by the Company from NSE specifying the non-compliances for the quarter ended 30th September, 2021. Further, no fine was imposed on the Company.</p>	




	<p>1.2) No Woman Director on the Board.</p> <p>1.3) Half of the Board is not Non-Executive.</p> <p>1.4) No Woman Independent Director on the Board.</p> <p>1.5) Number of the board member is less than six.</p> <p>2. Regulation 18 - Audit Committee is not constituted.</p> <p>3.Regulation 19- Nomination and Remuneration Committee is not constituted.</p> <p>4. Regulation 20 - Stakeholders Relationship Committee is not constituted.</p> <p>5. Regulation 21- Risk Management Committee is not constituted.</p> <p>6. Provisions pertaining to Audit Committee Meetings Reason:</p> <p>6.1) Gap between two consecutive Audit Committee Meeting is more than 120 days for quarter ended Sep 30, 2021.</p> <p>7. Quorum not meet for the Board Meeting held on August 12, 2021.</p>		
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[Handwritten Signature]



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

S. No	Observations of the Practicing Company Secretary in the previous reports	Observations of the Practicing Company Secretary in the previous report (F.Y 2020-21)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1	As on 31 st March, 2020 the Company is not meeting the requirement under proviso to Regulation 17(1)(a) of the LODR Regulations.	As on 31 st March, 2021, the Listed Entity is not meeting the requirement specified under Regulation 17(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	Our Company being a PSU, is under Administrative Control of Ministry of Defence (MoD). Appointments of directors on the Board of Company does not fall under the purview of Company and MoD is the appropriate authority for appointing Directors on the Board of MIDHANI.	We were informed that Listed Entity is a Defence Public Sector Unit (DPSU) under the administrative control of Ministry of Defence, Government of India and the appointments of Directors on the Board are taken care by Govt. of India, acting through Ministry of Defence (MoD) - Department of Defence Production.
2	As on 31 st March, 2020 the Board doesn't consist of at least half of the Board of Directors comprising of Independent Directors.	As on 31 st March, 2021, the Listed Entity is not meeting the requirement specified under proviso to Regulation 17(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	Due to non-appointment of Independent Director on the Board of Company, the Board level Committees were suspended.	The process of appointment of Directors by MoD is followed by multi-level approvals and the Listed Entity has no role apart from timely intimation to MoD regarding vacancies.
3.	As on 31 st March, 2020 the Company has not complied with requirement of minimum 6 directors on the Board of Directors.	As required under Regulation 17(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Listed Entity does not have at least half of the Board of Directors as Independent Directors.	During FY 2021-22, MoD has appointed Shri Valluri Chakrapani as Independent Director of the Company with effect on December 24, 2022. Consequently,	Due to non-appointment of Independent Director on the Board of Company by the Administrative Ministry, the Board



4.	As on 31 st March, 2020, the Audit Committee has 3 Board Members only one of whom is only an Independent Director.	As required under Regulation 17(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Listed Entity does not have at least 6 Directors on their Board.	Our Company re-constituted Corporate Social Responsibility & Sustainable Development Committee and Risk Management Committee, w.e.f. January 7, 2022.	level Committees were suspended.
5.	As on 31 st March, 2020, the Company NRC is not meeting the requirements of this regulation.	The Listed Entity has convened the Board Meetings held on 11 th November 2020, 17 th December 2020, 12 th February 2021 and 15 th March 2021 without the presence of Independent Directors as the Listed Entity does not have any Independent Directors on their Board with effect from 08 th October, 2020.	MoD also appointed, Prof. V.T. Rema as Woman Independent Director on the Board of MIDHANI w.e.f. April 5, 2022. The Company upon appointment of Prof. V.T. Rema as Independent Director, re-constituted Audit Committee & Stakeholders' Relationship Committee w.e.f. April 5, 2022	However, the Listed Entity have been actively pursuing with its Administrative Ministry for the appointment of Directors so as to ensure compliance with all applicable SEBI Regulations. Based on the representations made by the Listed Entity, the Ministry of Defence have appointed Mr. Valluri Chakrapani (DIN: 00867270) as Independent Director with effect from 24 th December, 2021 and Ms. VT Rema as Women Independent Director with effect from 05 th April, 2022.
6.	As on 31 st March, 2020, NRC is not meeting the requirements of this regulation.	As on 31 st March, 2021, Audit Committee of the listed entity is not meeting with the requirements specified under Regulation 18(1)(a) and (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	As on date of this report, the Company has vacancy of One Functional Director and Two Independent Directors as per sanctioned strength of Board of Directors of Company.	However, the composition of Listed Entity's Board is still not in line with applicable provisions of SEBI (Listing Obligations and Disclosure Requirements), 2015.
7.	On resignation of Shri Sanjeev Singhal, Director (Finance) from the Board on 7 th January, 2020, the majority of members	As required under Regulation 18(2) (a) of the SEBI (Listing Obligations and Disclosure Requirements)	The Company has periodically requested Administrative	



	of the Risk Management Committee as on 31 st March, 2020 does not consist of Board members in terms of Regulation 21(2) of LODR Regulations.	Regulations, 2015, the Audit Committee of the Listed Entity has not met at least four times in a year and the quorum for the Audit Committee Meetings held on 30 th June 2020 and 11 th September, 2020 is not in line with Regulation 18(2) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations.	Ministry to fill up vacancy of Independent Directors and Functional Director. Company also, placed agenda items relevant to Board Level Committee at the Board Meeting of the Company, to facilitate Board processes.	
8.	As required under Regulation 25 (6) of the LODR Regulations, the vacancy caused upon completion of tenure, of 3 Independent Directors on 30 th November, 2019, were not filled, as per the timelines prescribed under Regulation 25(6) of LODR Regulations i.e. within a period of 3 months.	As on 31 st March, 2021, the NRC of the Listed Entity is not meeting with requirements specified under Regulation 19(1)(a) and (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.		
9.		As on 31 st March, 2021, the NRC of the Listed Entity is not meeting with requirements specified under Regulation 19(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.		
10.		As required under Regulation 19 (3A) of the SEBI (Listing		

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R & A ASSOCIATES
Hyd-16
Company Secretaries

		Obligations and Disclosure Requirements) Regulations, 2015, the NRC has not met at least once in a year.		
11.		As on 31 st March, 2021, the Stakeholders Relationship Committee of the Listed Entity does not meet with the requirement specified under Regulation 20 (2A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.		
12.		As required under Regulation 20 (3A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Stakeholders Relationship Committee has not met at least once in a year.		
13.		As on 31 st March, 2021, the Risk Management Committee does not meet the requirement specified under Regulation 21 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.		
14.		As required under Regulation 25 (3) and (4) of the SEBI (Listing		

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R & ASSOCIATES
Hyd-16
Company Secretaries

		Obligations and Disclosure Requirements) Regulations, 2015, there was no separate Meeting of Independent Directors was held during the year and there was no review of performance of the Non-Independent Directors, Chairperson and the Board of Directors as whole.		
15.		As required under Regulation 25 (6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the vacancy caused upon completion of tenure of 1 Independent Directors on 08 th October, 2020 was not filled within a period of 3 months.		



For R&A Associates,
Company Secretaries

CS R Ramakrishna Gupta
Senior Partner
FCS No: #5523
COP No.: #6696
UDIN: F005523D000248667

Place: Hyderabad
Date: 06th May, 2022