MIDHANI

MISHRA DHATU NIGAM LIMITED
(A Govt. of India Enterprise, Ministry of Defence)

Annual Report
2022-23

YEARS OF

INNOVATION.
EXCELLENCE.
TRANSFORMATION.

At MIDHANI, we take immense pride in commemorating 50 years of innovation, excellence, and transformative contributions to our clients, stakeholders, and the nation. Our journey has been a saga of creating value through a diverse and exceptional product portfolio. As we celebrate this milestone, we joyously reflect on the significant strides we have made in evolving with the changing times. At the forefront of our success lies our unwavering dedication to being one of the leading producers of special steels, super alloys, and the sole manufacturer of Titanium alloys in India. This position is not just a testament to our technical expertise and prowess but also a testament to the trust and confidence our stakeholders have placed in us.

Celebrating our Golden Jubilee

The landmark occasion of the Golden Jubilee celebrations of our organisation commenced with a grand curtain-raiser event, kicking off a year-long extravaganza. The celebrations were initiated in style with the unveiling of the captivating Golden Jubilee logo, which symbolises fifty years of excellence, innovation and commitment to the metallurgical industry. As a leading player in the field of specialised metals and alloys, our journey over the past five decades has been characterised by critical contributions to various sectors, including Aerospace, Defence and Energy. The inauguration of these jubilant festivities serves as a testament to our focus on maintaining the highest quality and service standards, while reinforcing our position as a frontrunner in the metallurgical domain.

What's inside

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

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

रक्षा राज्य मंत्री

Raksha Rajya Mantri

Remembering

Dr. R. V. Tamhankar

July 28, 1917 - June 16, 1993

Dr. Brahm Prakash

August 21, 1912 - January 3, 1984

"Impressive progress has been made in the metallurgical industry during the last 30 years by setting up a number of large metallurgical industries, particularly in the field of steels, aluminum and other non-ferrous metals. However, these industries could not meet the requirements of sophisticated alloys of industries in the sectors of nuclear power, aircraft, electronics etc. Over the years, an infrastructure of these industries has been built in the country. Their rapid growth is essential to the industrial prosperity as well as to the security of the country. In order to ensure this, the Government of India decided to set up a Special Metals and Superalloys Plant. With the commissioning of this plant in 1980, the metallurgical industry in the country will have come of age and India will crown its long history of metallurgy by a precious 'superalloy' jewel"

Dr. R. V. Tamhankar

MIDHANI is an outcome of India's quest for achieving self-sufficiency in critical metals such as special steels, super alloys and Titanium Alloys - to cater the requirements of Defence, Space and Energy Sector.

The Genesis of MIDHANI lies in dreams and ambitions of eminent scientist of India. In particular, Dr. R. V. Tamhankar and Dr. Brahm Prakash whose efforts were instrumental in Incorporation of MIDHANI.

In June, 1970, Dr. R. V. Tamhankar, the eminent Metallurgist and Founder-Director of Defence Metallurgical Research laboratory (DMRL) (who became first Chairman of MIDHANI) made a proposal on setting up of a plant – for manufacturing important special metals and alloys required for aeronautics, electronics, rockets, missiles and other industries. It was stressed that, the proposed project had to be viewed not so much from the point of economic viability as from the need to achieve self-sufficiency in supply of critical materials.

The vision of a Dr. R.V. Tamhankar was supplemented by 'Brahm Prakash Committee' which was tasked by Govt. of India to scrutinize the project proposals, cost structure of end product and whether the proposed project should be implemented in its present form and at costs now projected or whether it should be reviewed by re-arranging priorities.

Brahm Prakash Committee report stressed that 'Primary objective in setting up of this plant is to attain self-reliance and to minimize dependence on others, specifically in Defence Industries. Indigenous manufacturing of these alloys is therefore, of paramount importance.'

Based on the recommendations of Dr. Brahm Prakash committee, the Political Affairs Committee of the Cabinet (PACC) of the Government of India approved the Project on October 31, 1975. Finally, MIDHANI became a reality and the integrated production at MIDHANI commenced in year 1983.

▲ First logo of MIDHANI

Dr. Brahm Prakash, also played a critical role in deciding the product mix for MIDHANI, his contribution to the choice of maraging steel for future space vehicles, also provided a unique opportunity for MIDHANI to make and fabricate this space age alloy of great importance.

The awards and honours conferred on Dr. Brahm Prakash include the award of Padma Shri in 1961, Bhatnagar Award in 1963, Padma Bhushan in 1968, VASVIK Award for Materials Science in 1976, Bhatnagar Memorial Medal of INSA in 1979 and the Bralco Medal of IIM in 1980.

We remember the excellence of Dr. R.V. Tamhankar and Dr. Brahm Prakash with gratitude, admiration and reverence.

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 FORTY-NINTH (49th) ANNUAL GENERAL MEETING

NOTICE is hereby given that the forty-ninth (49th) Annual General Meeting of the Members of **MISHRA DHATU NIGAM LIMITED** (MIDHANI) will be held on **Friday the 29th day of September 2023 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 the audited standalone financial statements of the Company for the financial year ended March 31, 2023, the reports of the Board of Directors and Auditors thereon; and the audited consolidated financial statements of the Company for the financial year ended March 31, 2023 and report of the Auditors thereon.

ITEM NO.2

To confirm payment of interim dividend i.e. ₹ 1.68 per equity share of ₹ 10 each (i.e. @16.80%) and declare final dividend of ₹ 1.67 per equity Share of ₹ 10/- each (i.e. @ 16.70%) for the financial year ended on March 31, 2023.

ITEM NO.3

To appoint a Director in place of Dr. Sanjay Kumar Jha (DIN:07533036), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

ITEM NO.4

To ratify remuneration to be paid to BVR & Associates, Cost Accountants as Cost Auditor of the Company for FY 2023-24 and in this regard, 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 (Firm 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, 2024, be and is hereby ratified and approved."

By the Order of the Board of Directors

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

Hyderabad
August 8, 2023

NOTES:

1. Ministry of Corporate Affairs (MCA) vide its General Circular No. 10/2022 dated December 28, 2022 read with the circulars issued earlier on the subject (collectively referred to as 'MCA Circulars') and SEBI vide its Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 read with the circulars issued earlier on the subject (collectively referred to as "SEBI Circulars"), have permitted 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 49th 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 49th AGM along with the Annual Report for financial year 2022-23 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.

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 No. 4 of the Notice, is annexed hereto. Further, disclosures in relation to Item No. 3 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 **Friday, September 22, 2023 ('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 49th AGM is being held through VC/OAVM and in accordance with the MCA Circulars, 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 49th 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 49th 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 Puttaparthi on his e-mail ID at pjandcofirm@gmail.com with a copy marked to evoting@nsdl.co.in.

   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. **Record Date:** Members may kindly note that **Friday, September 22, 2023** has been fixed as the Record Date to determine entitlement of members to the final dividend for the financial year 2022-23.

9. **Declaration Dividend:**

   a) Pursuant to Finance Act, 2020, dividend income is taxable in the hands of members effective April 1, 2020. Accordingly, the final dividend, as recommended by the Board of Directors, and if approved at this AGM, shall be paid after deducting tax at source ('TDS') in accordance with the provisions of the Income Tax Act, 1961 at the prescribed rates, within 30 days from the date of declaration:

      - to members in respect of equity shares held by them in physical form, whose name appear as a member in the Company's Register of Members as on Friday, September 22, 2023; and

      - to beneficial owners in respect of equity shares held by them in dematerialized form whose name appear in the statement of beneficial owners furnished by National Securities Depository Limited ('NSDL') and Central Depository Services (India)

Limited ('CDSL'), on close of business hours on Friday, September 22, 2023.

b) For information on Tax Deduction at Source ('TDS'), please visit Company's Website viz. https://midhani-india.in/ and refer TDS instructions on dividend distribution.

c) In case of members whose bank details are not updated before the close of business hours on Friday, September 22, 2023 or in case the Company is unable to pay the dividend to any member directly in his/her bank account via electronic clearing service, the Company shall dispatch the dividend draft/cheque to such member(s) by post.

10. **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, 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 Friday, September 22, 2023.

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).

11. 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.

12. **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.

13. **Electronic dissemination of AGM Notice and Annual Report:** Electronic/digital copy of the Annual Report for FY23 and Notice of 49th 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 FY23 and Notice of 49th 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.

14. **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 49th AGM.

15. **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 **Friday, September 22, 2023**. 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 financial year 2022-23 or have questions on the financial statements and/or matters to be placed at the 49th 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 Friday, September 22, 2023.

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.

16. **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 49th 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. **Friday, September 22, 2023**.

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 25, 2023 (Monday)**
End of remote e-voting	**Up to 5:00 p.m. (IST) September 28, 2023 (Thursday)**

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 49th AGM and holds equity shares as on the 'Cut-off date' i.e. September 22, 2023 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or call on 022-4866 7000/ 022-2499 7000. Members 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 49th AGM through VC/ OAVM facility and who have not cast their vote on resolutions set out in the 49th 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 49th AGM. However, Members who have exercised their right to vote by remote e-voting may attend the 49th 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 49th 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 49th 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. 4

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 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 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 financial year 2023-24.

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 2023-24 as set out in the resolution for the aforesaid services.

The Board recommends the resolutions set out in Item No. 4 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. 4 of the accompanying Notice.

By the Order of the Board of Directors

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

Hyderabad
August 8, 2023

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

Name of the Director	Dr. Sanjay Kumar Jha
DIN	07533036
Date of Birth	February 20, 1964
Date of first appointment on the Board	July 5, 2016
Qualifications	Dr. S. K. Jha holds a Doctor of Philosophy (Ph.D) in Engineering from Homi Bhabha National Institute. He is also a Metallurgical Engineering graduate from NIT Jamshedpur in the year 1988.
Expertise in specific functional areas	He has diverse and vast experience in General Management, Atomic & Metallurgy Engineering. The detailed expertise are available at https://midhani-india.in/board_of_directors/dr-s-k-jha-2/
Terms and conditions of appointment or reappointment	Dr. Sanjay Kumar Jha was appointed by Administrative Ministry as Chairman and Managing Director of the Company for a period of five (5) years or till date of superannuation i.e. till February 29, 2024 or until further orders, whichever is earlier, in basic pay scale of ₹ 1,80,000 – ₹ 3,20,000/- (IDA) pattern. He assumed charge as Chairman and Managing Director of the Company w.e.f. May 1, 2020. He is liable to retire by rotation.
Details of remuneration last drawn **(FY 2022-23)**	₹ 81,76,551/-
Directorships in other Public Limited Companies (excluding foreign companies, private companies & section 8 companies as on August 8, 2023)	Utkarsha Aluminium Dhatu Nigam Limited
Membership of Committees/ Chairmanship in other Public Limited Companies (excluding Private and Foreign Companies as on August 8, 2023)	Nil
No. of Board Meetings attended during the Financial Year 2022-23	7 out of 7
No. of shares held in the Company:	
(a) Own	Nil
(a) 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.

Annexure – 1

Instructions for remote e-voting and access to 49th 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. Friday, September 22, 2023 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 25, 2023 (Monday)
End of remote e-voting	Up to 5:00 p.m. (IST) September 28, 2023 (Thursday)

The e-voting module shall be disabled by NSDL for voting thereafter.

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
Individual Shareholders holding securities in demat mode with NSDL	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.
	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.

Type of shareholder	Login Method
	4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. 
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing 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 user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting 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. Additionally, there is also links 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 No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting 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.co.in or call at toll free no.: 022 - 4886 7000 and 022 - 2499 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 22 55 33

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 125195 then user ID is 125195001***

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.co.in 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 e-Voting system

How to cast your vote electronically 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 pjandcofirm@gmail.com with a copy marked to evoting@nsdl.co.in. 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 toll free no.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to at evoting@nsdl.co.in

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.co.in 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.

Building upon an enduring legacy

We are a leading manufacturer in the domestic metallurgical sector, specialising in producing special steel superalloys and Titanium alloys in the country. Founded in 1973 as a Public Sector Undertaking under the Department of Defence Production, Ministry of Defence, Government of India. Since humble beginning in early 70's, MIDHANI has gone long way through many ups and downs and emerged as a leader in advanced metals and alloys, thus opening up new frontier of metallurgy and material science in the country.

With our state-of-the-art and highly adaptable manufacturing processes, our capabilities extend to creating a diverse range of special metals and alloys, all under a single facility. These advanced metals possess exceptional mechanical properties and remarkable workability, making them ideal for specialised applications in the Aerospace, Power Generation, Defence and General Engineering sectors.

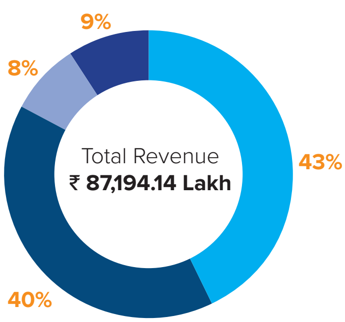
Serving over 70% of our products to strategic customers in industries such as Space, Defence and Energy, reflects our significance in these critical areas. Additionally, we also cater to the commercial sector by supplying special alloys and products to meet various industrial needs.

Our mission

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

In focus

Sector wise revenue



- Defence
- Space
- Energy
- Others

Financial

₹ 87,194.14 Lakh
Revenue

₹ 8.32
Earnings per share

₹ 29,528.58 Lakh
EBITDA

₹ 1,10,026 Lakh
Value of production

8.55%
YoY growth in value of production

₹ 1,33,104 Lakh
Order book as on April 1, 2023

₹ 15,587.61 Lakh
PAT

Social

₹ 393.42 Lakh
CSR Expenditure

2855 Man days
Training imparted by Company

₹ 18,999 Lakh
Procurement from MSME's

Environment

51,86,15,884 MJ
Energy Consumption

1,16,89,790 MJ
Energy consumed from 4 MW Solar Plant

0.06
Energy Intensity per rupee of turnover

1,000
Kg of e-waste responsibly disposed

Governance

33%
Independent Director on the Board

92.71%
Average attendance in Board Meetings

100%
Score under DPE Guidelines on Corporate Governance

Chairman's message

MIDHANI stands as a testament to a visionary aspiration – one that aimed to propel India towards self-sufficiency in the manufacturing of critical alloys. Today, as we gather, it is imperative that we reflect upon the illustrious history that MIDHANI has scripted and use it as a foundation upon which to build an even more promising future.

Dear Shareholders,

It gives me immense pleasure to welcome you all at the 49th Annual General Meeting of Members of Mishra Dhatu Nigam Limited (MIDHANI). This year, we proudly celebrate the 50th Anniversary of MIDHANI, marking a significant milestone in our journey. MIDHANI stands as a testament to a visionary aspiration – one that aimed to propel India towards self-sufficiency in the manufacturing of critical alloys. Today, as we gather, it is imperative that we reflect upon the illustrious history that MIDHANI has scripted and use it as a foundation upon which to build an even more promising future.

When we delve into the past, we encounter the invaluable contributions of distinguished scientists who turned the vision of MIDHANI into a tangible reality. The year was 1970, a time when India was reflecting upon the conflicts it faced with China in 1962 and Pakistan in 1965. The pressing need for a robust defence modernization strategy rooted in indigenous resources and self-reliance came to the forefront. In this context, Dr. R.V. Tamhankar, a renowned Metallurgist and the founding Director of the Defence Metallurgical Research Laboratory (DMRL), presented a visionary proposal to the Government of India. His proposal outlined the establishment of a manufacturing plant specializing in Super Alloys and Special Metals within India. This strategic initiative aimed to fulfill the nation's critical and essential requirements. Driven by his foresight, the seeds of what would be termed the 'Golden Age' of contemporary and intricate metallurgy in India were sown.

Dr. Brahm Prakash, yet another distinguished scientist renowned in the field of atomic energy, played a pivotal role in the establishment of MIDHANI. The 'Brahm Prakash Committee' was entrusted by the Government of India with the task of meticulously examining the project proposal from various angles, including strategic forecasts and potential exports. This committee's report became the cornerstone upon which MIDHANI was founded, revising the initial estimated budget from ₹ 39 Cr. to ₹ 79 Cr. The committee report also cemented the prime purpose of MIDHANI which was to cater the strategic needs of country and also to achieve self-reliance, especially in Defence industries. MIDHANI is a story of resilience, determination and dreams of people who wanted a self-reliant India. We pay homage to the immeasurable contributions of both Dr. R.V. Tamhankar and Dr. Brahm Prakash. Their dedication and service laid the groundwork for us to commemorate 50 years marked by innovation, excellence, and transformative achievements.

After a decade of meticulous preparations, MIDHANI proudly initiated its commercial production in the year 1983, and the subsequent chapters in its journey have become the cornerstone of its legacy. Through persistent integration and technological advancements, MIDHANI emerged as leader in advanced metallurgical production for supplying critical alloys and products of national security and strategic importance. MIDHANI has panoply of grades of high value speciality steel, Superalloys and Titanium Alloys which have its application in strategic sectors such as Defence, Space and Energy. MIDHANI is also marking its presence in armouring solutions and railways. As we convene for this Annual General Meeting, we are presented with the chance to collectively contemplate these significant advancements and the profound implications they carry. As we contemplate MIDHANI's remarkable 50-year journey, its incumbent upon us to contemplate how we can further enrich the path that lies ahead.

MIDHANI: Bridging Innovations Globally

FY 2022-23 has been a year where commissioning of new critical facilities has led to amplified capacity and a more diversified product portfolio. Notably, within this fiscal year, the inauguration of the Wide Plate Mill (WPM) was a standout event, graced by the presence of the Hon'ble President of India, Smt. Droupadi Murmu, on December 27, 2022. WPM stands as a distinctive rolling facility in India, capable of accommodating thicknesses of up to 9mm. The WPM facility has helped us cater to the specific requirements of the Vikram Sarabhai Space Centre (VSSC) for the esteemed 'Gaganyaan Mission.' This was exemplified by the supply of Titan 31 slab, a momentous accomplishment as it marked the first-ever production of this material.

During FY 2022-23, MIDHANI's Armour Unit at Rohtak, Haryana has also supplied bullet proof vehicles to J&K Police and also supplied mine proof vehicles to vehicles factory at Jabalpur. MIDHANI has also developed, high performance material for construction of Advanced Ultra Super Critical (AUSC) thermal energy plant which will lead to reduction in fossil fuel consumption. Coming to aerospace sector, MIDHANI achieved a milestone by supplying feedstock and mill forms of high-temperature alloys for 'Kaveri Dry Engine Program' and by developing Superni 115 LPT blade blank for aeroengines.

The accomplishments of MIDHANI in the fiscal year 2022-23 were not immune to challenges. Over the past years, our journey has been marked by significant disruptions, notably the global COVID-19 pandemic and the Russia-Ukraine conflict, both of which have cast shadows over economic outlooks, not only in the South Asian region but across the globe. These external factors have exerted upward pressure on the prices of critical raw materials, introducing volatility to the market dynamics. Furthermore, the supply chain experienced constraints, presenting us with the formidable challenge of adhering to delivery schedules. The surge in energy prices during the fiscal year 2022-23 also reverberated across our operations, affecting the economics of scale. Despite these headwinds, our determination and resilience have remained unwavering, enabling us to navigate through these turbulent times and to continue our journey of progress.

Financial Highlights

During FY 2022-23, MIDHANI achieved a revenue of ₹ 87,194.14 Lakh which is highest ever revenue achieved with a Year-on-Year (YoY) growth of 1.45%. Despite a modest YoY growth of 1.45%, this achievement is noteworthy considering the challenges MIDHANI faced. Supply chain limitations and volatile raw material prices affected our revenue, making this accomplishment even more significant. In FY 23, the Earnings Before Interest Taxes Depreciation and Amortization (EBITDA) to revenue ratio stood at 33.86%, amounting to ₹ 29,528.58 Lakh. This is a marginal decline from the FY 22 ratio of 34.16%, equivalent to EBITDA ₹ 29,361.48, reflecting a YoY decrease of 0.3% in EBITDA to Revenue. The slight decrease in EBITDA to Revenue can be attributed to the volatility in raw material prices and energy costs. However, this impact was mitigated to some extent by increased operational efficiency. As a result, MIDHANI successfully minimized the adverse effects on EBITDA margins. In FY 23, the Profit Before Tax (PBT) amounted to ₹ 21,654.92 Lakh, compared to ₹ 23,911.98 Lakh in FY 22, signifying a YoY decrease of 9.43%. This decrease was primarily attributed to higher depreciation and finance costs incurred during the year. In FY 23, the Profit After Tax (PAT) totalled ₹ 15,587.61 Lakh, in contrast to ₹ 17,630.77 Lakh in FY 22, resulting in a YoY decrease of 11.59%.

MIDHANI achieved Value of Production (VoP) ₹ 1,10,026 Lakh during FY 2022-23 vis-à-vis ₹ 1,01,358 Lakh achieved for FY 22 translating into YoY growth of 8.55%. During FY 23 there was an adverse impact of ₹ 4,800 Lakh due to price variance of Raw Materials. However, due to efficient and effective utilization of scrap, MIDHANI was able to save material consumption cost amounting to ₹ 3,194 Lakh. On exports front, MIDHANI achieved direct exports amounting ₹ 2,064.70 Lakh during FY 23.

As on April 1, 2023, MIDHANI had an order book position of ₹ 1,33,104 Lakh vis-à-vis ₹ 1,31,700 Lakh as on April 1, 2022, registering a YoY growth of 1.06%.

During FY 23, MIDHANI declared and paid an Interim Dividend of ₹ 1.68 per equity share and recommends for approval of Members a Final Dividend of ₹ 1.67 per equity share. The cumulative dividend (declared and recommended) by MIDHANI stands at ₹ 3.35 per equity shares which is highest ever.

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

Innovation, Excellence and Transformation

During FY 23, MIDHANI has provided due emphasis on facility augmentation. During FY 23, MIDHANI spent ₹ 7,581 Lakh as CAPEX and spent ₹ 2,026.78 Lakh towards Research and Development. During FY 23, MIDHANI developed various grades which has its application space, aerospace and energy sector. A standout achievement was the supply of Alloy C276, a solid solution strengthened nickel-molybdenum-chromium alloy with a minor tungsten addition developed in the 8T Vaccum Induction Melting Furnace and Wide Plate Mill. These alloys, once imported by Bharat Heavy Electricals Limited (BHEL), are now domestically produced. Setting up of the Wide Plate Mill has also helped in saving outsourcing cost by rolling plates in house.

Notably, within this fiscal year, the inauguration of the Wide Plate Mill (WPM) was a standout event, graced by the presence of the Hon'ble President of India, Smt. Droupadi Murmu, on December 27, 2022.

MIDHANI's armour unit at Rohtak, Haryana which was commissioned in Quarter 2 of FY 23 recorded revenue of around ₹ 3,200 Lakh. MIDHANI also developed a unique bullet proof jacket (Garuda) for Indian Air Force. In FY 24, a new Titanium Shop will be commissioned, which will enable MIDHANI to supply additional 500T of Titanium Alloy annually. The Bar & Wire facility of MIDHANI has been operating as its maximum capacity and in FY 24 the facility will be augmented to meet the customers requirement. The 30T Bogie Hearth Furnace and 20 T Fixed Hearth Furnace will be commissioned during FY 24 which is part of MIDHANI's modernisation initiative.

Indian Railways imports approx. 50,000 axles p.a. for its passenger coaches. MIDHANI's supply of 400 Axles to Indian Railway during FY 23 though a small step, would be a big leap in MIDHANI's presence in Railway Sector as there are orders in pipeline from Indian Railways.

Business Responsibility and Sustainability

MIDHANI is committed to upholding the principles of good governance, integrity, and transparency in all its processes. MIDHANI has adopted Business Responsibility and Sustainability Reporting which forms part of this Annual Report. During FY 23, there has been reduction in water utilization, air emissions (other than Green House Gases) which was way below than National Ambient Air Quality Standards.

On Corporate Social Responsibility front, MIDHANI spent ₹ 393.42 Lakh during FY 23 which covers healthcare, sanitisation, education and promotion of skill. MIDHANI also sponsored education for children belonging to SC/ST with low-income background. MIDHANI organised precautionary dose/3rd dose COVID vaccination camp as part of Azadi Ka Amrit Mahotsav for all employees including casual and contract employees along with their spouse in month of August 2022.

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. 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 underscores our dedication to fulfilling our customers' needs and acting as a catalyst for comprehensive growth. In the face of strained geopolitical relations and supply chain complexities, our optimism remains steadfast, fueled by the transformative evolution of the Indian Defence Industry. Recent governmental initiatives have opened substantial avenues to serve our nation's strategic sectors and foster self-reliance.

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 to 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.

Together, we shall stride forward into the future, fortified by the legacy we've inherited and the prospects that await us.

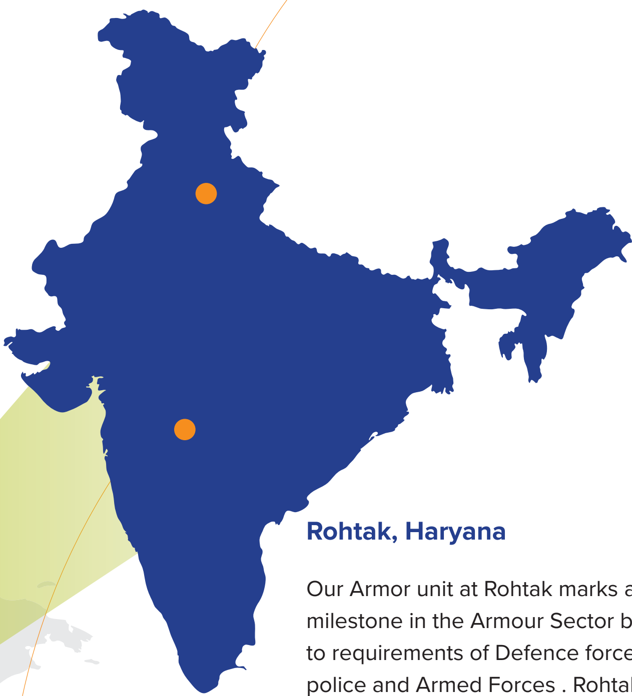
Thank You

Jai Hind !

Dr. Sanjay Kumar Jha
Chairman & Managing Director

Vibrant footprint for driving excellence

We are committed to meeting the evolving needs of industries and forging strong partnerships that transcend borders. Strategically positioned across regions, we understand the unique challenges and opportunities that arise in different markets. Our growing presence empowers us to deliver excellence and innovation, consistently meeting expectations in the realm of advanced materials and cutting-edge technologies.



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

Our state-of-the-art facility, equipped with precisely integrated and adaptable production capabilities enable us to manufacture an array of special metals and alloys in various mill forms. Our expertise extends to producing forged bars, flats and rings, as well as employing net shape and closed die forging techniques.

MIDHANI's Contribution in 'Chandrayaan-3' Mission

Cryo Stage

- Half alloy Tube LH2 & LOX Superalloy
- Investment Castings (For Exhaust & Interstage Housing)

L110 (Liquid Engine)

- BT-14 for L110 Separation System
- In 718 for Nozzle Closure System
- Ti31 - L110 ASA
- Ti3l - Gas bottles
- SuperCo 605 - Thrust Chamber

Solid Stage

- M250 Steel for S200 Motor Case

During the year under review, our commitment to India's space exploration endeavours remained unwavering and impactful. As a key contributor, we took immense pride in playing a vital role in the successful launch of the prestigious Chandrayaan-3 Mission. Our team's dedication and expertise were instrumental in developing and supplying essential materials for the highly reliable LVM3 M4 launch vehicle. The enduring partnership we have forged with ISRO over the past four decades speaks volumes about the trust and confidence they place in our materials. Our products have become an integral part of their space missions, including the ambitious Gaganyaan Mission, which aims to take Indian astronauts to space. It is truly a testament to the strength and reliability of our materials that they consistently deliver exceptional performance even in the most challenging space environments. Our collaboration with ISRO not only demonstrates our technical prowess but also showcases our deep-rooted commitment to pushing the boundaries of space exploration.

MIDHANI's Material on Moon – Chandrayaan-3 Mission

The Lander & Rover has MIDHANI's Ultra-high strength steel material for separation system & Titanium alloy material for Propellant tank & support structure.

Lander & Rover

- M250 Material for Separation band
- Ti31 Rings for Propellent Tank in Lander
- Ti31 for Support Structure

MIDHANI's Titanium Rings, Bars, Blocks used in Lander Payloads

MIDHANI products of Cobalt base alloys, Nickel base alloys, Titanium alloys and Special steels and Investment castings are used in LVM3-M4 Liquid engines, Nozzles for liquid stages, Gas bottles, Thrusters, Cryogenic upper stage components, Rocket motor casing, Propellant tanks.

MIDHANI's materials are used from the first launch of ISRO till the current launch and continue to work for the ISRO's ambitious Gaganyaan Mission & other futuristic programmes of ISRO.

Langmuir Probe

To measure the near surface plasma (ions and electrons) density and its changes with time.

Chandra's Surface Thermo-physical Experiment

To carry out the measurements of thermal properties of lunar surface near polar region.

Showcasing excellence

Contribution to Aerospace Sector : Earth & Beyond

We are thrilled to have played a part in the successful launch of Chandrayaan 3, as it marks a vital contribution to India's ambitious space exploration efforts. Being at the forefront of this historic mission, we supplied cutting-edge special metals and alloys, which played a crucial role in the construction and functionality of various components of the spacecraft. Our materials were meticulously engineered to withstand the extreme conditions of space, ensuring the reliability and durability of critical systems. Collaborating with the Indian Space Research Organisation (ISRO) on this prestigious project has been a privilege and it reaffirms our commitment to pushing the boundaries of metallurgical innovation for space applications.

LVM3-M3

PSLV

GSLV

Heavy Lift Rocket GSLV MkIII nicknamed as **'Bahubali'**

With a deep understanding of the demanding requirements of the Aerospace industry, we have been supplying high-performance materials that ensure the safety, efficiency and reliability of aircraft. Our unwavering commitment to quality and innovation has enabled us to collaborate with major aircraft manufacturers. From lightweight yet robust alloys for structural components to advanced composites for cutting-edge aircraft designs, we continuously strive to produce materials that elevate the performance and sustainability of modern aviation.

MIDHANI developed and supplied Nickel Based Super alloy for MiG Engine Programme

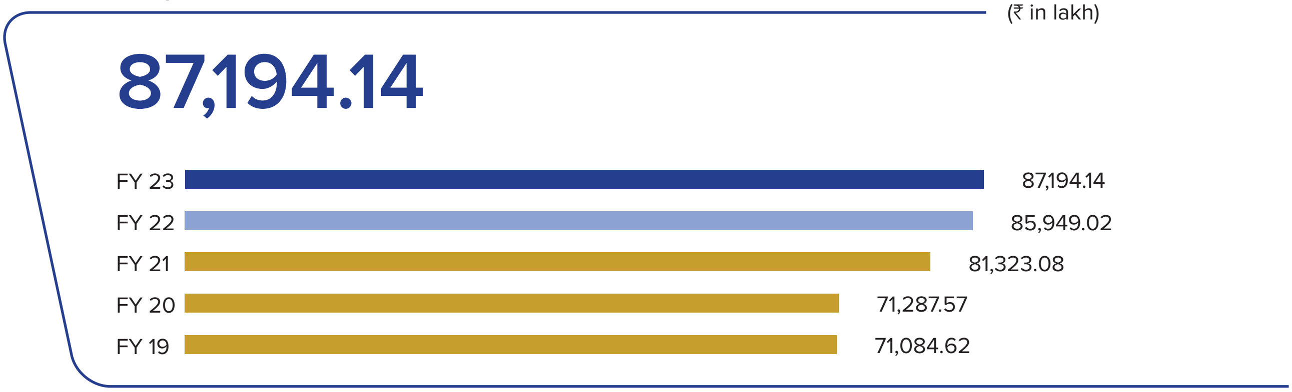
AUSC Forging

Contribution to energy sector

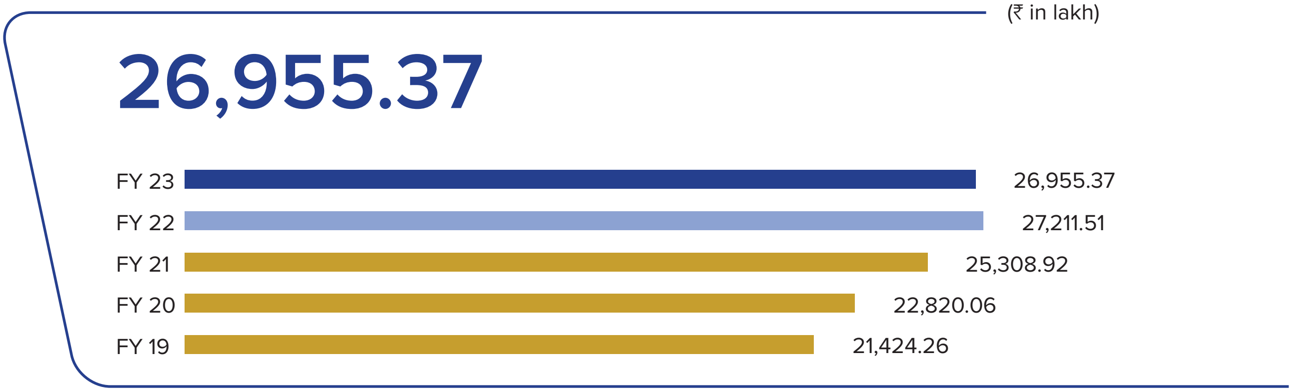
Advanced Ultra Super Critical (AUSC) technology refers to an advanced coal-based power generation system that works on higher temperature (above 700°C) and pressures for improved efficiency reducing coal consumption and CO_2 generation.

Financial performance

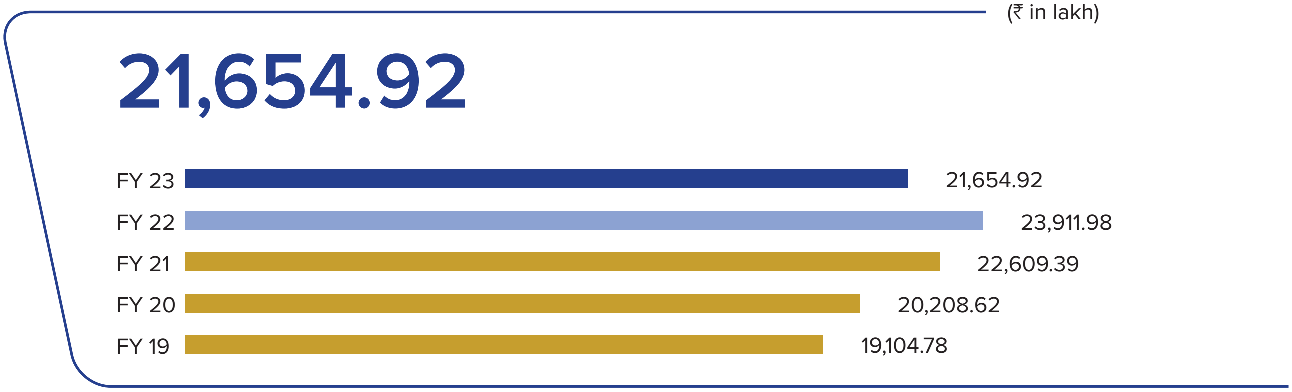
Revenue from operations



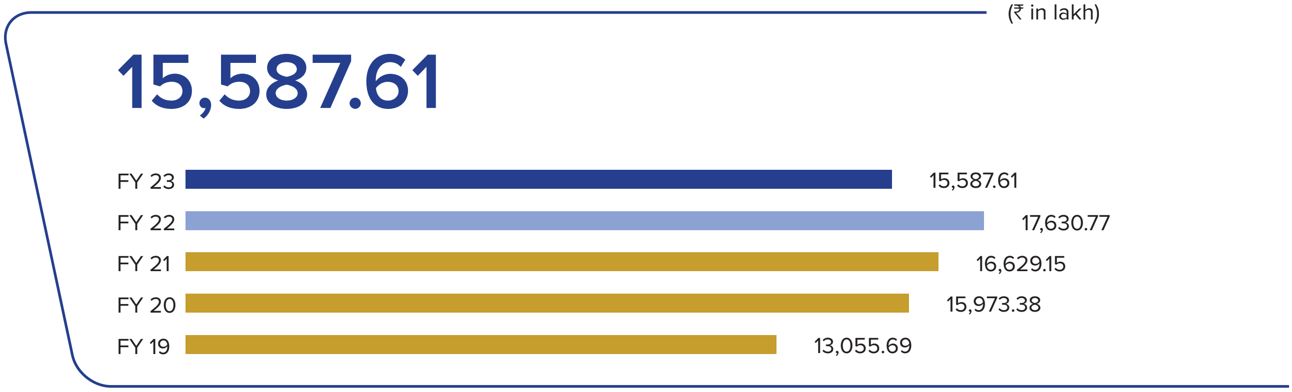
Cash profit



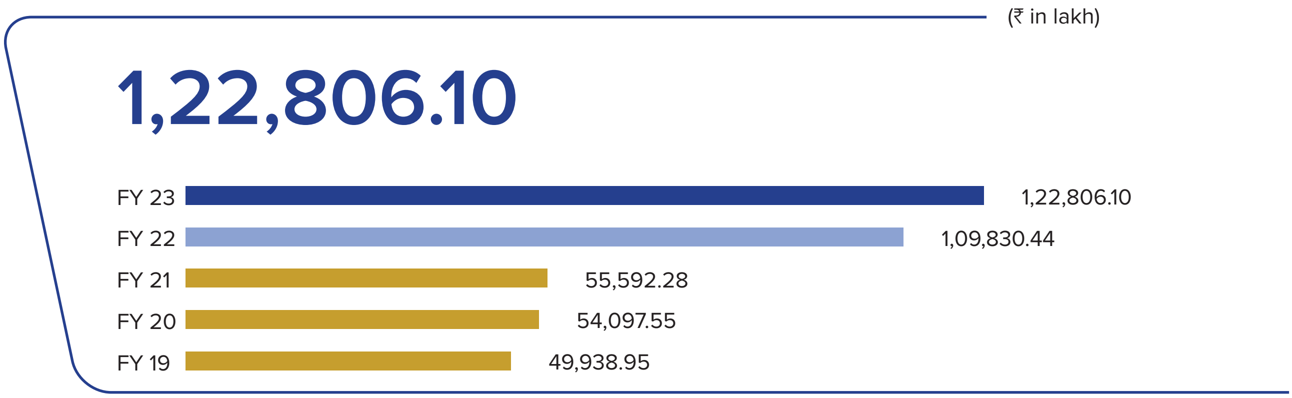
Profit before tax



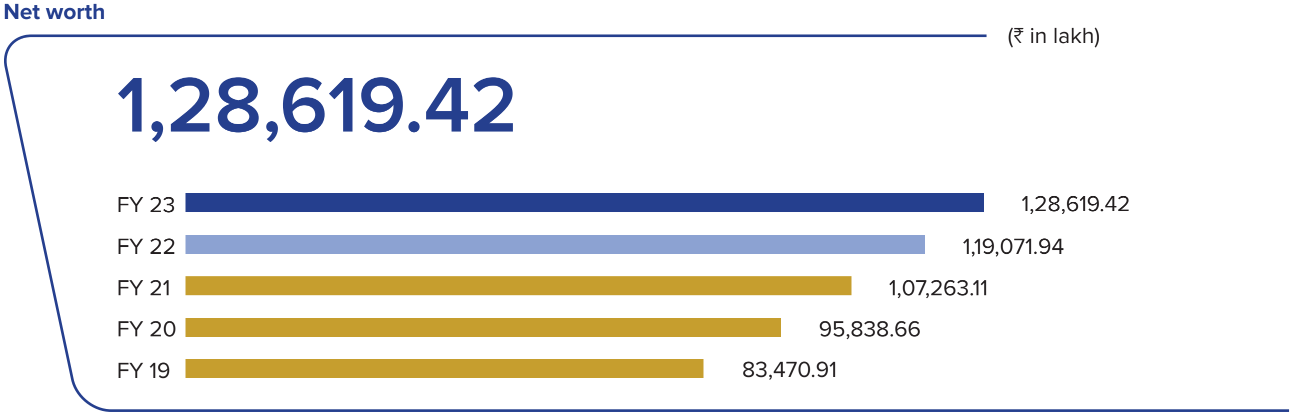
Profit after tax



Gross block



Net worth



Sharpening focus on manufacturing excellence

At MIDHANI, our objective of producing a wide range of alloys and metals have led us to enhance our manufacturing capabilities. Not only we have best-in-class facilities, but also, we deploy advanced technologies to meet the evolving demands of our clientele. In addition, we have established our manufacturing units strategically across the country to be able to serve our customers better.

Hyderabad facility

Our manufacturing plant at Hyderabad is equipped with state of art integrated facility with cutting-edge equipment that facilitate the production of a diverse range of special metals and alloys in various mill forms. MIDHANI has expertise in melted, forged, rolled & drawn products. These forms include, ingots, slugs, closed die forgings, machined bars & slabs, hot rolled sheets & bar, cold rolled sheets &bars, wire rods & wielding electrodes.

The Hyderabad facility caters to requirements of Defence, Space, Aeronautical, Energy & Commercial Applications.

Wide plate mill

The facility will ensure self-reliance in production of extra wide plates of special steel and other strategic application including armour plates. The mill will assist in meeting customer demands for wide plate of unique alloys with thickness of 4–20 mm, width of 1,000–2,500mm, and length up to 11,000mm.

Spring plant

A plant with a capacity of 60,000 Springs per year has been set up to manufacture Springs indigenously.

Spring Plant - Hyderabad

Inauguration of Wide Plate Mill by Hon'ble President of India, Smt. Droupadi Murmu on December 27, 2022.

Rohtak facility

Armour Facility - Rohtak, Haryana

Our Rohtak plant spans an area of 10 acres and is fully equipped with advanced technologies such as water jet cutting, plasma cutting, autoclaves, forming machines and composite moulding presses. We execute numerous production procedures at this plant, which is primarily dedicated to generating high-quality armour products.

Personnel Protection

Bullet Proof Patka

Bullet Proof Jacket

Helicopter Armouring

Vehicle Armouring

Vehicle Armouring

Sharpening focus on manufacturing excellence

Supply chain management

We recognise the necessity of efficient supply chain management to streamline processes, minimise costs and enhance overall productivity. By leveraging advanced technology, we track inventory in real-time and identify potential bottlenecks to ensure that the right products are available at the right time and in the right quantities.

Optimising inventory

To maintain optimal inventory, we conduct strategic model analysis at the beginning of each fiscal year to efficiently plan purchases and forecast requirements. We coordinate with our suppliers, aligning our actual production schedule to ensure adequate supply. By focusing on consistent improvement in our operations and quality, we reduce waste and ensure customer satisfaction when delivering final products. Additionally, we have a comprehensive risk register and record history in place to mitigate potential risks. To further enhance efficiency, we employ the quantity split option for key raw materials and consumables.

Integrating sustainability in supply chain practices

We have diligently incorporated sustainability measures in our supply chain management practices. These include adopting ESG principles, optimising our inventory, partnering with reliable suppliers, a robust waste management system and expanding our customer base.

During FY 2022-23, the domestic procurements amounted ₹ 42,193 Lakh out of which ₹ 18,999 Lakh i.e. 45.02 % of total domestic procurement was procured from SME/MSME, which is testament for inclusive growth.

These efforts aim to foster environmentally and socially responsible practices, contributing to a resilient business model.

Adopting digitisation

The majority of our shops have implemented automation, deploying sophisticated software to oversee their operations autonomously. In addition, we have implemented various digital platforms, including ERP and E-office, aimed at boosting efficiency within the supply chain management processes. These digital initiatives have substantially contributed to streamlining our supply chain operations and improving overall performance.

Strengthening relationships with supply partners

We have implemented a supplier rating system to assess the quality of our suppliers and are pleased to note that most of them follow ethical business practices. We also engage in annual customer and vendor meets, but our commitment to fostering strong relationships with our supply partners goes beyond these events. To drive continual improvement in our processes and operations, we regularly collaborate with suppliers. By strengthening these bonds, we aim to enhance mutual understanding, foster transparency and achieve sustained growth together.

Quality management

Product quality, safety, and durability are key factors for applications in the Aviation, Space and Defence sectors. To assure product quality, safety, and reliability, we adhere to process documents and specifications, as well as advanced quality control testing. We continue to meet client expectations by closely monitoring key factors which impact product performance.

Implementing them in accordance with standards ensures compliance with regulatory requirements concerning quality and safety. To accomplish this objective, we perform internal audits and, if needed, engage external audit organisations for review. In addition, we regularly evaluate the regulatory landscape to ensure timely adherence to these requirements.

AS9100:2016
Certified

ISO 9001:2015
Certified

AFQMS Issue-II
Certified

ISO/IEC 17025:2017
Certified

Quality audits and assessment

We maintain a well-defined policy for the registration, evaluation and approval of suppliers. The supplier registration process involves a comprehensive assessment of technical capabilities, Quality Management System (QMS) and other relevant factors. This evaluation is conducted by a Cross Functional Team (CFT). Upon receiving a satisfactory rating from the assessment, the supplier is officially registered.

Additionally, we conduct inspection activities at the supplier's premises when deemed necessary. These measures ensure that we engage with qualified and capable suppliers, facilitating the delivery of high-quality products and services.

Quality control measures

We implement key quality control measures by closely monitoring process parameters at each stage, such as melting, forging, rolling and heat treatment, following approved process documents and quality assurance plans. Additionally, we conduct extensive incoming inspections of metallic raw materials, testing them at our in-house NABL accredited chemical laboratory.

Only materials meeting specifications are accepted at central stores, ensuring high-quality materials for further processing.

Quality certificates

Our Quality Management System (QMS) is certified with AS9100:2016 and ISO 9001:2015, representing compliance with Aviation, Space, Defence and global standards. These certifications are granted by ANAB and recognised by the International Aerospace Quality Group (IAQG).

Moreover, we are also certified as per AFQMS Issue-II, which is approved by the Directorate General Aeronautical Quality Assurance (DGAQA), New Delhi. This approval allows us to supply strategic products for Indian Military Aviation and Missile programmes.

Our Quality Control Laboratories (Chemical, Mechanical, Metallography, Metrology Calibration and Non-Destructive testing) are accredited by the National Board for Testing and Calibration Laboratories, ensuring compliance with ISO/IEC 17025:2017 standards, which are globally recognised.

Transforming with an eye on the future

Our R&D division focuses on technological research, new product development and indigenisation. During the last five years, we have locally produced several products for crucial uses, including critical Steam Generator (SG) tubes for the energy sector, super alloy blade blanks for Adour engines, composite armouring for the Mi-17 helicopter and high-pressure compressor discs for Jaguar aircraft.

New product development for last five years has resulted in a business worth over ₹300 Crore.

28 Patent appliaction filed during the year.

₹ 2,026.78 Lakh R&D expenditure

Technological advancement

MIDHANI is undertaking establishment of a dedicated Titanium melting facility to cater rising demand for Titanium alloys in naval, space, missile, and export sectors. The facility comprises a 10T Capacity Vacuum Arc Re-melting Furnace, an indigenously developed Plasma Welding Machine, and essential infrastructure such as cooling towers, power distribution, and storage. The facility is undergoing advanced testing, and commissioning is scheduled for the second quarter of FY 2023-24.

10T Capacity Vacuum Arc Re-melting Furnace at new Titanium Plant

Empowering our teams

We believe in providing our team members with the necessary tools, resources and training to excel in their roles. By fostering a supportive and inclusive work environment, we encourage our people to take ownership of their work and make meaningful contributions to the Company's success. We offer opportunities for career growth and development, allowing our personnel to reach their full potential and grow in their respective roles. Our Human Resource team works tirelessly to identify the right fit for our organisation while developing people-friendly policies to retain top talent.

Diversity and inclusion

We recognise the value that a truly diverse and inclusive workforce brings to the table. Their wealth of knowledge, expertise and perspectives contribute to our business resilience and leads to our long-term growth.

We are dedicated to empowering our women team members, enabling them to take on roles of significant responsibility with dedication and pride. From the Executive to Non-Executive cadre, women team members are an integral part of our workforce, making valuable contributions across various departments and functions. Whether it be material procurement, production, maintenance, dispatches, or supporting services like Civil, Finance, HR, and Marketing, we ensure that our women employees have equal opportunities to excel in their respective roles.

76
women employees constitute 10% of our workforce

100%
Employees & workers are paid above minimum wage

146.51 Lakh
Productivity per employee

Employees attending Training Programme

Women's Day celebration

Talent management

To stay ahead of the curve in a rapidly evolving operating environment, we invest in training our people, helping them acquire new skills, knowledge and expertise relevant to their roles. Emphasising continuous learning and development, we offer a comprehensive range of in-house and outbound training programmes, covering technical, non-technical and managerial domains. Additionally, we have revised various HR policies, such as career progression, incentive schemes and welfare schemes, ensuring that our team members stay motivated, engaged and well-supported in their professional journeys.

Batch of Management Trainees inducted during FY 23

Employee well-being

We focus on promoting employee health and well-being as it is an integral aspect of building a positive work culture. This further aids in maximising productivity and enhancing performance.

MIDHANI Sports Meet

Ensuring safety

We have implemented several well-thought-out measures to ensure the safety of our personnel, creating a workplace that is as secure as feasible. Regular and periodical safety sessions are conducted for all our people, equipping them with the requisite knowledge and skills to handle potential hazards efficiently. We conduct Safety Committee meetings to review and reinforce safety protocols, aiming to achieve 100% compliance across the organisation and preventing accidents.

Fire Safety Week 2023

Beyond business

Our priorities extend beyond profitability and involve the empowerment and upliftment of communities residing in the regions where we operate. As a socially responsible entity, we aspire to make a meaningful impact on the society at large. Corporate Social Responsibility (CSR) for us is more than a box-ticking endeavour. We reach out and support those in need. In addition, we have established a dedicated CSR committee that ensures that we follow a holistic approach to CSR.

Through our targeted initiatives, we engage with various communities and address their specific needs and challenges. These programmes encompass a wide range of projects and activities aimed at promoting social welfare, education, healthcare and economic development.

₹393.42 Lakh
CSR Expenditure

50,000+
Total lives touched

100-150
Beneficiaries each day due to clean toilets

₹133.54 Lakh
spent for primary health care center

Mapping our CSR focus areas

- Promotion of health care and sanitation
- Promotion of education
- Promotion of skill development

Promotion of health care and sanitation

We established the 'MIDHANI Primary Health Care Centre' under the 'MIDHANI Primary Health Care Trust' to serve the medical needs of the communities residing in and around our office premises. Patients at the centre receive free health check-ups and medicines. We have also sponsored an anaesthesia workstation and patient bed lift, along with a mobile ambulance, to make medical services available in the region.

Additionally, aligned with Swachha Bharat Abhiyaan, we take responsibility for the annual maintenance of toilets constructed by us, ensuring a clean and hygienic environment.

Promotion of education

We have rolled out several initiatives to support children from economically weaker sections of society. These children have been granted admission to schools, and we will bear the entire cost of their education till they graduate from the 10^{th} grade.

17

Children belonging to SC/ST/ economically weak section were sponsored for their education

Smart Class at BPDAV School

₹45.34 Lakh

Spent towards government schools in Kothagudem

During FY 2023, we sponsored dual desks for several government schools in Kothagudem. Our efforts were aimed at enhancing the learning environment and making quality education accessible to students in the region.

Promotion of skill development

We remain committed to inducting over 10% of apprentices into our organisation every year. This initiative intends to provide students with a valuable opportunity to immerse themselves in a real-time work environment and learn from experienced professionals.

187

Candidates received training during FY 2023

₹80.40 Lakh

Total stipend paid to apprentices

Embracing environment

The manufacturing process at MIDHANI does not result into emission of Green House Gases and other Particulate Emissions by MIDHANI are below the thresholds specified by National Ambient Air Quality Standards (NAAQS). MIDHANI also have 4 MW Grid Connected Solar Photovoltaic Plant which is generating clean energy of more than 12% of MIDHANI's annual energy requirement

BPDAV School, managed by MIDHANI

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)
(w.e.f. June 23, 2022)

Shri Anurag Bajpai
Joint Secretary (DIP)
Govt. Nominee Director
(till November 9, 2022)

Shri V. Chakrapani
(Independent Director)

Smt V. T. Rema
(Independent Director)
(w.e.f. April 5, 2022)

Shri Surendra Prasad Yadav
Joint Secretary (LS)
Govt. Nominee Director
(w.e.f. November 10, 2022)

Chief Vigilance Officer

Dr. Upender Vennam
I.Po.S

Key Managerial Personnel

Shri Paul Antony
Company Secretary &
Compliance Officer

Senior Management*

Shri A. Ramakrishna Rao
GM (HR)

Shri D. Gopikrishna
GM (Production & Marketing)
(till July 31, 2022)

Shri Supartha Sen
GM (Coord. & CP)

Shri Debasish Dutta
GM (Projects)

Shri Atchutaram Dasu
GM (Commercial)
(till July 31, 2022)

Shri Rama Ramesh Babu
GM (Melts)
(till January 31, 2023)

Shri Sasidharan Palasseri
GM (Engineering Services)

Smt. Madhubala Kalluri
GM (Finance & Accounts)

Shri Arun Kumar Sharma
GM (Technical Services)

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

*As on August 1, 2023

10 years at a glance

(₹ in Lakh unless stated otherwise)

Item	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Sales (tonnage)	4,111.00	4,732.00	5,205.00	6,150.00	4,477.00	3,685.00	3,390.00	3,556.23	2,961.26	**3,075.84**
Sales (Value)	56,270.78	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**
Value of Production (Excl. ED)	52,691.15	61,414.55	65,545.29	68,583.23	68,749.73	88,387.93	104,631.64	82,939.16	101,358.59	**110,026.63**
Cash Profit	12,747.26	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**
Profit Before Tax (PBT)	12,143.54	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**
Net Profit (PAT)	8,246.29	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**
Value Added	35,398.93	39,881.31	41,597.11	49,185.59	53,722.88	52,206.95	59,350.32	60,157.17	66,868.27	**70,908.96**
Value added per employee	39.33	47.70	54.16	65.41	63.20	66.00	75.51	79.05	86.84	**94.42**
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	24,698.30	38,670.17	27,704.22	35,911.43	39,574.81	49,938.95	54,097.55	55,592.28	109,830.44	**122,806.10**
Net Fixed asset	11,547.79	24,427.97	26,295.74	32,737.74	34,443.38	42,494.69	44,074.63	42,891.57	93,848.75	**101,550.21**
Net current asset	44,471.94	35,144.93	47,879.87	47,862.25	44,052.85	63,221.24	81,738.45	80,847.94	87,615.16	**94,263.28**
Capital Employed (as per MOU*)	46,330.91	55,339.80	62,868.51	70,558.01	78,995.46	83,527.97	95,857.07	107,263.11	121,847.82	**135,355.09**
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	25,779.38	35,271.83	43,233.03	51,700.40	60,169.45	64,736.91	77,104.66	88,529.11	100,337.94	**109,885.42**
Net Worth	44,513.38	54,005.83	61,967.03	70,434.40	78,903.45	83,470.91	95,838.66	107,263.11	119,071.94	**128,619.42**
Contribution to Exchequer	11,181.00	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**
No. of employees	900	836	768	752	850	791	786	763	770	**751**
Productivity per employee	63.30	73.46	85.35	91.20	80.88	111.74	133.12	108.70	131.63	**146.51**

* Capital employed is calculated as Networth + long-term Borrowings

Corporate information

Registered Office

Hyderbad

P.O. Kanchanbagh, Hyderabad -500058
Tel. No: 040-2418 4515, Fax No: 040-2956 8502
Website: www.midhani-india.in

Commercial/ Regional office

New Delhi

Core- 6, Floor – 1, Scope Complex, 7 Lodhi Road,
New Delhi – 110070
Tel No. : 011-4166 6375, Fax: 011-2436 6466

Rohtak, Haryana

Mishra Dhatu Nigam Limited, Plot No. 8 & 13,
Sector 30 A, IMT, Rohtak, Haryana- 124 001

Statutory Auditors

Sarath & Associates, Chartered Accountants

Cost Auditor

BVR & Associates, Cost Accountants

Secretarial Auditors

C V Reddy K & Associates, 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

Board's Report

The Members,
Mishra Dhatu Nigam Limited

Dear Members,

Your Directors take great pleasure in presenting the 49th Annual Board's Report, highlighting the performance and achievements of your Company, along with the Audited Financial Statements (Standalone & Consolidated) for the FY ended on March 31, 2023.

1. SIGNIFICANT ACHIEVEMENTS:

- Achieved highest ever revenue of ₹ 87,194.14 Lakh for FY 2022-23 registering a Year-on-Year (Y-o-Y) growth of 1.45% vis-à-vis revenue of ₹ 85,949.02 Lakh achieved for FY 2021-22.
- Achieved highest ever Value of Production (VoP) of ₹ 1,10,026.63 Lakh for FY 2022-23 registering a Y-o-Y growth of 8.55 % vis-à-vis VoP of ₹ 1,01,358.59 Lakh achieved for FY 2021-22.

2. HIGHLIGHTS OF OPERATIONS:

- MIDHANI has achieved a significant milestone by successfully manufacturing Titan 31 plate for the qualification of the Wide Plate Mill, specifically catering to the requirements of VSSC (Vikram Sarabhai Space Centre) - ISRO for the prestigious Gaganyaan Mission. This successful endeavor marks the first-time production of Titan 31 plate, showcasing MIDHANI's technical expertise and its crucial role in supporting India's ambitious space exploration program.
- MIDHANI has successfully manufactured Superni C-276 (Haste Alloy), a corrosion-resistant nickel-based alloy. This alloy was specifically produced to meet the requirements of BHEL (Bharat Heavy Electricals Limited) for their Flue Gas Desulphurization (FGD) application, aimed at controlling SO_2 emissions.
- MIDHANI has successfully supplied feedstock and mill forms of high-temperature alloys for the prestigious Kaveri dry engine program. These alloys play a critical role in the development of advanced propulsion systems and are specifically designed to withstand extreme temperatures and harsh operating conditions.
- MIDHANI completed development and certification of Superni 115 LPT blade blank for aeroengines. Additionally, MIDHANI completed development and certification of Titan 26M, a Titanium alloy capable of withstanding temperatures up to 520°C under creep conditions as against the previously limited temperature threshold of 450°C for the alloy.
- The newly established armour unit at Rohtak, Haryana has commenced production and successfully delivered 15 bulletproof vehicles of the Isuzu Shaurya model to the J&K police. Additionally, 47 MIDHANI Twarit model vehicles were dispatched to the J&K police. The unit has also supplied composites for mine-proof vehicles to AVNL's- (Armoured Vehicle Nigam Limited), Vehicle Factory, Jabalpur.

3. FINANCIAL HIGHLIGHTS:

3.1 Your Company achieved a revenue of ₹ 87,194.14 Lakh for FY 2022-23 vis-à-vis revenue of ₹ 85,949.02 Lakh achieved for FY 2021-22. Company achieved Operating Profit of ₹ 17,876.78 Lakh for the FY 2022-23 vis-à-vis Operating Profit of ₹ 20,781.36 Lakh achieved for FY 2021-22.

3.2 Profit Before Tax (PBT) for FY 2022-23 of your company was ₹ 21,654.92 Lakh vis-à-vis PBT of ₹ 23,911.98 Lakh for FY 2021-22 and Profit After Tax (PAT) of ₹ 15,587.61 Lakh for the FY 2022-23, vis-à-vis ₹ 17,630.77 Lakh achieved for FY 2021-22. The reduction in profit for FY 2022-23 is mainly attributable to increase in depreciation cost as projects like Wide Plate Mill, 8T VIM & Rohtak facility were capitalized.

3.3 Your Company achieved the following results during FY 2022-23:

(Figures in ₹ Lakh)

Particulars	FY 2022-23	FY 2021-22
Revenue from Operations	87,194.14	85,949.02
Other Income	3,778.14	3,130.62
Total income	**90,972.28**	**89,079.64**
Less: Operating Expenditure	61,443.70	59,718.16
Profit before Depreciation, Finance Costs, Exceptional items and Tax Expense	29,528.58	29,361.48
Less: Depreciation/ Amortization/ Impairment	5,300.45	3,299.53
Profit before Finance Costs, Exceptional items and Tax Expense	24,228.13	26,061.95
Less: Finance Costs	2,573.21	2,149.97
Profit before Exceptional items and Tax Expense	21,654.92	23,911.98
Add/(less): Exceptional items	-	-
Profit before Tax Expense	**21,654.92**	**23,911.98**
Less: Tax Expense (Current & Deferred)	6,067.31	6,281.21
Profit for the year (1)	15,587.61	17,630.77
Other Comprehensive Income/(loss) (2)	(7.74)	60.62
Total Comprehensive Income (1+2)	**15,579.87**	**17,691.39**
Ratios (Percentages)		
Profit Before Tax to Capital employed	16.00	19.62
Profit Before Tax to Revenue from operations	24.84	27.82
Profit After Tax to Net Worth	12.12	14.81
Profit After Tax to Paid-up Share Capital	83.20	94.11
Sales to Capital Employed	64.42	70.54
Sales to Gross Block	71.00	78.26
Per Capita Sales (₹ in Lakh)	116.10	111.62

4. DIVIDEND POLICY:

4.1 The Board of Directors of your Company are pleased to recommend a final dividend of ₹ 1.67 per equity share of the face value of ₹ 10/- each i.e., @ 16.70%, for the financial year ended on March 31, 2023 and seek your approval for the same. The proposed final dividend, will be payable to those shareholders whose names appear in the Register of Members as on the 'Record Date' i.e. September 22, 2023.

4.2 Further, during the year under review, the Board of Directors of the Company in their Meeting held on March 15, 2023 has declared and paid interim Dividend of ₹ 1.68 per equity share of the face value of ₹ 10/- each i.e. @ 16.80%. The interim Dividend was paid to the eligible shareholders on March 29, 2023.

4.3 Cumulatively, the Board of Directors of your Company has declared / recommended a total Dividend of ₹ 3.35 per equity share of the face value of ₹ 10/- each i.e. @ 33.50% for the year ended on March 31, 2023. At 40.26% of Profit After Tax (PAT) this is the highest dividend pay-out by the Company.

4.4 Your Company, being a Central Public Sector Enterprise (CPSE), adheres to the Guidelines on Capital Restructuring issued by the Department of Investment and Public Asset Management (DIPAM) under F. No. 5/2/2016-Policy, dated May 27, 2016. These guidelines mandate that every CPSE must pay a minimum annual dividend of 30% of Profit After Tax (PAT) or 5% of the Net Worth, whichever is higher, subject to the maximum dividend permitted under the prevailing legal provisions. The Company's comprehensive dividend distribution policy forms part of Annual Report as **"Annexure - I"** and is also accessible on the official website of the Company at https://midhani-india.in/policies/. "

4.5 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 2022-23	FY 2021-22
1.	Dividend	6,275.89	5,807.54
2.	Profit After Tax (PAT)	15,587.61	17,630.77
3.	Net Worth*	1,25,405.13	1,16,093.41
4.	Dividend/PAT (%)	40.26	32.94
5.	PAT/Net Worth (%)	12.43	15.19
6.	Dividend/Net Worth (%)	5	5

*Net worth is after considering Dividend for respective periods.

5. TRANSFER TO GENERAL RESERVE:

Your Company has transferred ₹ 10,000 Lakh to General Reserve for the FY 2022-23.

6. PERFORMANCE AGAINST MoU:

For FY 2022-23, MIDHANI’s MoU performance is expected to qualify for an overall ‘Very Good’ rating, however, the same is subject to evaluation and confirmation by Department of Public Enterprises (DPE).

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

7.1 Over the past years, the Company's continued focus on upgradation and modernization has resulted in the establishment of additional facilities, increased production tonnage 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.

7.2 The following projects pertaining to the modernization, expansion, and upgradation of MIDHANI's production activities were successfully commissioned during the year ended on March 31, 2023:

- **Development of Armour unit at Rohtak:**
  - To meet the growing demand for body armor, vehicle armor, bulletproof Morcha, and bullet-resistant jackets, MIDHANI has established a state-of-the-art unit in Rohtak, Haryana. The completion of the major construction activities in Phase-I and Phase-II marks a significant milestone in the unit's development.
  - During FY 2022-23, MIDHANI's Armor Unit achieved remarkable success, generating revenue of ₹ 2,998.28 Lakh. This performance is a testament to the unit's dedication to quality and its ability to meet the market demands effectively.
  - The establishment of this new unit in Rohtak not only strengthens MIDHANI's presence in the armor industry but also contributes to the local economy by creating job opportunities and fostering growth in the region. MIDHANI's Armour unit is well-positioned to capitalize on the increasing demand for body armor and armor related products in the domestic and international markets.
- **New 8T capacity Vacuum Induction Melting Furnace (8T VIM):** Melt Shop-III has state-of-the-art addition to its infrastructure - an advanced 8T Capacity Vacuum Induction Melting Furnace (8T VIM). The successful commissioning of this cutting-edge facility marks a significant milestone for the company, as it not only enhances production capabilities but also reduces dependency on the older VIM, which had been in continuous use. Addition of this furnace is expected to reduce delivery timelines, thereby allowing MIDHANI to meet customer's demand for superalloy more effectively.
- **300 Kg Vacuum Arc Skull Melting Furnace:** Installation and commissioning of 300Kg Skull Melting Furnace was successfully completed. Commissioning of 300Kg Skull Melting Furnace has replaced an old 60 kg capacity furnace. This upgradation will help MIDHANI in meeting the demand for higher weight Titanium castings, which the old furnace was unable to fulfill.

7.3 Ongoing projects related to Modernization, Expansion and Up-gradation of MIDHANI’s production activities which will be commissioned during FY 2023-24 are as under:

- **Establishment of new Titanium Shop:** MIDHANI is undertaking establishment of a dedicated Titanium melting facility to cater rising demand for Titanium alloys in naval, space, missile, and export sectors. This facility will enable MIDHANI to add 500T of Titanium alloys to its annual supply. The facility comprises a 10T Capacity Vacuum Arc Re-melting Furnace, an indigenously developed Plasma Welding Machine, and essential infrastructure such as cooling towers, power distribution, and storage. The facility is undergoing advanced testing, and commissioning is scheduled for the second quarter of FY 2023-24.

- **New 20T & 12T Fixed Hearth Furnace for Forge Shop:** MIDHANI is undertaking significant upgrades in its Forge shop by installing new furnaces to replace the old fixed hearth reheating furnace. The supply of equipment and erection work for a 20T furnace has been completed and is undergoing testing. Additionally, the erection process for a 12T furnace has commenced, with commissioning planned for the third quarter of FY 2023-24. The introduction of these modern furnaces will greatly enhance MIDHANI's re-heating capabilities, specifically for smaller size billets. By replacing the old furnace with higher capacity alternatives, MIDHANI aims to improve efficiency, productivity, and overall performance of Forge Shop.

- **Fasteners Plant:** MIDHANI is actively addressing the demand for smaller size fasteners in the aerospace sector by acquiring specialized equipment dedicated to aerospace fastener manufacturing. This procurement includes, hot heading equipment and warm thread rolling machines, both vital additions to our manufacturing capabilities. These new equipment acquisitions empower us to effectively serve the domestic aerospace fasteners market, fulfilling the specific requirements of indigenous projects like LCA-Tejas and HAL-IAF Repair & Maintenance of aircraft. We aim to deliver high-quality fasteners that meet the stringent standards set by the aerospace & defence industry.

7.4 Other new projects planned in next two years:

- **Metal Powder:** MIDHANI is making significant strides towards achieving self-sufficiency in metal powder production with the establishment of a Metal Powder Production Unit boasting a capacity of 50 tonne per annum. The successful completion of the procurement process for the necessary main equipment marks a major milestone in this endeavor. The primary focus of this facility will be the production of Titanium and Nickel alloy powders tailored specifically for metal additive manufacturing applications. Industries such as automotive, aerospace, and bio-medicals will greatly benefit from these high-quality powders. Currently, there is a heavy reliance on imported Titanium and Superalloy powders to meet the market demand.

- **Compacting press for Titanium sponge:** MIDHANI plans to procure an 8000-tonne capacity hydraulic compacting press along with auxiliary facilities, molds, electrical and PLC systems, and stacking devices. This press will play a crucial role in compacting titanium sponge with master alloys, facilitating the production of titanium electrodes for primary and secondary melting in the Vacuum Arc Remelting furnace. The estimated timeline for the supply, erection, and commissioning of this equipment is approximately 20 months. This press will lead to significant enhancement of MIDHANI's Titanium processing capabilities.

- **Augmentation of Bar & Wire drawing facility:** To enhance the capacity and capabilities of the existing Bar & Wire drawing facility, MIDHANI has undertaken a project for augmentation. The project includes the procurement of essential equipment such as two Ø760 MM heavy-duty bull blocks for coil build-up, two straight line machines with six heads for wire drawing from 10 mm to 6 mm, a wet drawing machine for 3 mm to 1.2 mm, and pointing machines to cater to various wire diameter ranges. Once completed, the upgraded facility will enable MIDHANI to meet growing demand, improve productivity, and better service its customers in the bar and wire drawing segment.

- **Additional supporting facility for Wide Plate Mill:** To meet the market requirements and enhance the production capabilities of the Wide Plate Mill, MIDHANI is undertaking setup of additional operations. This includes, procurement of a One Shot Blasting Machine, One Side Trimmer for Sheets/Plates for edge cutting and preparation, and a Plasma cutting machine for cutting plates to desired lengths. To accommodate these new facilities, an extension of the existing DE and EF bay of the Wide Plate Mill is planned. Additionally, MIDHANI will install a facility for grinding Work Roll and Back Up Roll. These initiatives will enable MIDHANI to process different grades of Stainless Steel, Super Alloys, Titanium Alloys, and other high-grade materials.

8. LABOUR PRODUCTIVITY:

The value added per employee during the year was ₹ 94.42 Lakh, vis-à-vis to ₹ 86.84 Lakh in the previous year.

9. SALES AND OPERATIONAL EFFICIENCY:

The trade receivable, measured in terms of 'No. of Days Sales,' stood at 132 days as of March 31, 2023, compared to 130 days as of March 31, 2022. The accumulation of high debtors primarily stems from budget exhaustion at our customers' end, predominantly PSU's, Government Departments/agencies.

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

10.1 The foundation of every successful product development lies in Research and Development (R&D). However, the role of MIDHANI'S R&D department goes beyond innovation, as it encompasses a broader spectrum of business strategy, including marketing, cost management, and product enhancement. R&D plays a pivotal role in creating new products and upgrading existing ones. At MIDHANI, we highly prioritize and value the significance of R&D in driving our growth and success.

10.2 An expenditure of ₹ 2,026.78 Lakh has been incurred towards R&D during FY 2022-23. 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.

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

- **Indigenous Product Developments:**

    - **Superfer 909 Hot rolled bars:** Superfer 909 is an age hardenable iron-based superalloy, containing Nickel, Cobalt, Niobium, and Titanium as alloying elements. With its high strength-to-weight ratio and precise dimensional control at elevated temperatures, this alloy is exceptionally well-suited for aerospace and land-based gas turbine engines. It finds its application in rocket engine thrust chambers, gas turbine engine components such as vanes, casings, and shafts, as well as in medical care applications. Consequently, it holds significant export market potential. MIDHANI, as a strategic material developer and supplier, has successfully indigenized this material for both domestic usage and export purposes.

    - **Monel K 500 forged and hot rolled bars for Gaganyaan Program:** Development efforts were prioritized with utmost urgency to design components for the cabin pressurization and control system of the Gaganyaan Crew Module. These components were specifically engineered to exhibit exceptional resistance to ignition, especially in the presence of high-pressure oxygen.

    - **SNI C 276 plates/ Sheets:** Alloy C 276 is a nickel-molybdenum-chromium alloy solid solution, fortified with a small amount of tungsten. Renowned for its exceptional corrosion resistance, it stands as one of the top choices for process industries. Alloy C 276 poses significant challenges in processing. However, MIDHANI has achieved a remarkable feat in successfully developing and manufacturing this material which was earlier imported.

- **Development of new products:**

    - **Heavy forgings slabs of SNI 718 (127 X 590 X900 mm):** MIDHANI has achieved a significant milestone by successfully developing and supplying heavy forging slabs measuring 127 (T) x 590 (W) x 900 (L) mm to the export market for the first time.

    - **Development of Hastelloy X (SNI 76) forged bars:** Hastelloy-X is known for its exceptional high temperature oxidation resistance, making it a preferred choice for various industrial furnace applications. Additionally, this alloy finds extensive usage in the manufacturing of critical aircraft components. MIDHANI has successfully fulfilled an export order by supplying forged bars of Hastelloy-X. This accomplishment highlights our commitment to delivering superior quality products to meet the stringent requirements of global customers.

    - **Development of Ni-Cr-Mo-Ti alloy (MDN 10003) forged & hot Rolled bars:** In collaboration with BARC (Bhabha Atomic Research Centre), MIDHANI has successfully developed a high-performance alloy, comprising Nickel- Chromium- Molybdenum-Titanium, specifically designed for the Indian Molten Salt Breeder Reactor (IMSBR). This achievement showcases our commitment towards ensuring the development of materials that meet the stringent requirements of critical applications.

- **Development of new products:**
    - **Development and supply of superalloy and titanium alloy for Adour engine:**
        - **Nickel base superalloy-Superni 115A low pressure turbine blade blank:** SUPERNI 115A, a wrought Nickel-based superalloy, serves as a low-pressure turbine blade in the Adour engine, operating at temperatures up to 980°C. The manufacturing process for this highly alloyed and narrow working range alloy was developed meticulously from the initial stages, encompassing melting and hot working techniques. Two batches comprising 100 blanks were supplied, accompanied by airworthiness certification. The ongoing execution of the remaining 5000 blanks order has mitigated the risk of single source dependency on imports.
        - **Near alpha Titanium alloy-Titan 26A high pressure compressor Disc Forgings:** MIDHANI successfully achieved indigenous bulk production of High-Pressure Compressor (HPC) discs using Titanium alloy TITAN26A. These HPC discs are critical rotating components in military aero gas turbine engines. Through a Licensing Agreement for Transfer of Technology (LAToT) with the Defence Metallurgical Research Laboratory (DMRL) and collaboration with airworthiness agencies, MIDHANI established the indigenous production of HPC discs (stage I to V) for the Adour aero engine. During the Transfer of Technology (ToT) phase, optimization of near isothermal forging and heat treatment processes was carried out to meet the 450°C creep property requirement.
        - **Near alpha Titanium alloy-Titan 22A HPC Blade Feedstock:** The Ti-8Al-1Mo-1V alloy is a near-alpha alloy extensively employed in compressor parts of turbine engines. This alloy features an alpha phase stabilized by aluminum, while the control over thermo-mechanical processing and mechanical properties is achieved through the addition of molybdenum and vanadium. The forging process has been meticulously optimized to prevent cracks during the manufacturing process. As a result, hot rolled bars of 2.5T material, accompanied by airworthiness certification, have been supplied as feedstock to produce compressor blades.
    - **Development and supply of Titanium alloy for airframe application of Advanced Medium Combat Aircraft (AMCA):**
        - **Titan 31A 120 thick wide slab forging for bulkhead frame:** MIDHANI successfully developed and supplied Centre for Military Airworthiness & Certification (CEMILAC) CEMILAC certified Titan 31A slabs, measuring 120mm x 1200mm x 1300mm, for the bulkhead frame of AMCA (Advanced Medium Combat Aircraft). The processing of this material involved triple melting in VAR (Vacuum Arc Remelting), ingot breakdown, and multiple upsetting and draw-down operations, with intermediate process annealing. The material meets stringent Ultrasonic Testing (UT) requirements of class A1 and fatigue requirements for such wide plates.
        - **Beta Titanium alloy-Ti5553A forged slabs of 200/300mm thick under developmental stage for airframes:** The Ti-5Al-5Mo-5V-3Cr-0.3Fe Beta alloy, with its elevated levels of alloying elements, is susceptible to segregation during the melting process. This alloy exhibits superior strength and hardenability compared to the Ti1023 alloy. MIDHANI has embarked on the development of this grade in response to an order from DMRL (Defence Metallurgical Research Laboratory). Our ongoing efforts involve optimizing the properties through a combination of thermo-mechanical processing and heat treatment techniques.
        - **Development and supply of material for Kaveri Dry Engine (KDE) programme of UCAV:** MIDHANI successfully produced and supplied 42 tons of feedstock for forging, along with 27.5 tons of mill forms, comprising high-temperature alloys such as Titanium alloy and Nickel-based superalloy. These materials were manufactured with strict adherence to stringent quality criteria, and they obtained airworthiness certification from CEMILAC. These supplies were specifically intended for the Kaveri Dry Engine (KDE) program of UCAV (Unmanned Combat Aerial Vehicle).

- o **Development and supply of titanium alloys for airborne missiles:** MIDHANI developed and certified heats of Titanium alloy grades i.e. Titan 15A, Titan 31 ELI, and Titan 31A for airborne missiles. Notably, the development of Titan 31A thin sheets (1.5mm thickness) for airborne missile wings was a pioneering achievement in India, with only a few manufacturers worldwide capable of producing this product. Manufacturing Titan 31A (Ti-6Al-4V) sheets <4mm posed challenges due to mill limitations in hot rolling and the frequent annealing required in cold rolling. To overcome these limitations, a multi-stage pack rolling process was adopted.

- o **Development & Supply of Titanium grades for Advanced Light Helicopter (ALH) engine:** MIDHANI successfully developed and type-certified Titan 31A forged feedstock for the rotating parts of the ALH engine. This achievement was accomplished by utilizing the cost-effective double melting method instead of the more expensive triple melting route. Through the optimum design of thermo-mechanical processing routes and strict control over melt parameters, we were able to achieve fatigue properties comparable to those of the triple-melted grade.

- **Artificial Intelligence (AI):**

  - An AI framework has been established for the purpose of designing new alloys. As a case study, the framework was implemented to consider the low thermal coefficient target for the H13 alloy. The results obtained from this implementation have shown promising progress in the development of H13.

  - AI framework can also be extended to other alloys, including Super alloys and Titanium alloys, to cater for specific applications requiring stringent properties. By utilizing this AI framework, MIDHANI will significantly reduce the time required for alloy design and development compared to traditional methods.

  - As part of AI roadmap, MIDHANI has taken up new projects such as:

    - Prediction of microstructure of alloys (grain size and phase fraction) through AI's Computer Vision algorithms,

    - Prediction of mechanical properties based on chemistry and microstructure using artificial neural networks and

    - AI enabled Quality Improvement System for Maraging Steel Melting Process to improve Product UT quality and yield of the final product.

11. INTELLECTUAL PROPERTY:

11.1 The company developed new products to meet the growing market demand, achieving significant advancements in R&D activities. This progress is evident through the expansion of the company's intellectual property assets. The products manufactured by MIDHANI are unique, and to protect against infringement, there was a strong emphasis on encouraging the application of Intellectual Property Rights (IPRs).

11.2 To foster innovation, a mission-driven initiative was launched to motivate employees to file patents for their inventions. As a result of this drive 28 patent applications were filed during FY 2022-23, focusing on product and process improvements.

11.3 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 were conducted both in-person and online, aiming to educate employees about the importance of IPR and equip them with the necessary understanding and skills.

12. ENERGY CONSERVATION:

12.1 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. The following are the energy-saving measures implemented by MIDHANI during FY 2022-23:

- MIDHANI procured dynamic reactive power compensation panels and transformers to improve the power factor at the MRSS (Material and Reheating Sub-

Station) for the 20T Arc furnace. This implementation is projected to result in significant electricity bill savings of approximately ₹ 10 Lakh per month.

- Furthermore, the overall power factor has been enhanced from 0.92 to 0.96 through the deployment of DPFC (Dynamic Power Factor Correction) panels and transformers, with an approximate value of ₹ 300 Lakh. These initiatives underline our commitment to optimizing energy consumption and reducing costs.

- MIDHANI has established a state-of-the-art solar power plant and entered into open access agreements with TSSPDCL (Telangana State Southern Power Distribution Company Limited) and TSTRANSCO (Telangana State Transmission Corporation Limited) to utilize the generated energy from the 4 MW solar power plant. This year, the solar power plants have successfully generated solar energy valued at ₹ 258 Lakh. These initiatives reflect our dedication to harnessing sustainable and renewable energy sources, contributing to both environmental conservation and cost efficiency.

The summary of consumption of LPG is as under:

Description	Unit	FY 2022- 23	FY 2021- 22
Annual Consumption of LPG	MT	5636.24	5,473.53
Specific consumption of LPG in production	MT (LPG)/ MT (Prod.)	0.14	0.18

The summary of consumption of Electricity is as under:

Description	Unit	FY 2022- 23	FY 2021- 22
Annual Consumption of Electricity	KWHr (in Crore)	6.52	5.40
Specific consumption of Electricity in production	Kwh/T	1,565.32	1,762.89

13. MARKETING & BUSINESS DEVELOPMENT:

13.1 During FY 2022-23, MIDHANI has booked orders worth ₹ 91,700 Lakh. The open order book position as on April 1, 2023 stood at ₹ 1,33,104 Lakh. With the current order book and considering the future orders in pipeline, MIDHANI looks forward to steady growth in the upcoming years.

The sector wise order booked during FY 2022-23 are as under:

(₹ Lakh)

Sector	Total value of orders
Defence	70,382.00
Space	3,351.00
Energy	10,306.00
Others	7,661.00
Total	**91,700.00**

13.2 **Sector-wise Performance:** The total orders executed during the year under review were ₹ 87,194.14 Lakh and the sector wise sales executed is as below:

(₹ Lakh)

Sector	Total value of supplies
Defence	37,204.61
Space	35,083.33
Energy	6,968.87
Others	7,937.33
Total	**87,194.14**

13.3 **Business Development:**

- In line with its growth strategy, MIDHANI has made strategic investments in new facilities, including an Armour unit in Rohtak, Haryana, and a state-of-the-art Wide plate cum sheet mill. These expansions aim to diversify MIDHANI's customer base beyond the Defense & Space sector, targeting industries such as railways, inland security, oil and gas pipelines, and the power sector. These initiatives align with the Government of India's 'Aatma Nirbhar Bharat Abhiyaan,' promoting indigenous production and offering domestic alternatives for advanced materials, supporting self-reliance and import substitution.

- Over the years, MIDHANI has been strategically focusing its exports on Titanium alloys and Superalloys, primarily to stockiest and dealers. However, the company's consistent efforts in the past three years have yielded positive results by expanding its customer base to include end-use customers in Europe for Special Steel, Superalloy, and Titanium Alloys.

- The efforts to obtain industry-specific certifications and client approvals are expected to have a significant impact on MIDHANI's export performance in the upcoming years. With the enhanced credibility and recognition gained through these certifications, MIDHANI aims to experience a substantial leap in its export volumes, further strengthening its position in the global market.

13.4 **Information Technology (IT):**

- Continued efforts were made to strengthen the Cyber Security framework through a Cyber Security Vulnerability Assessment and Penetration Testing (VAPT) Audit conducted by a Cert-In empaneled agency. Additionally, a 'Cyber Jagrookta Diwas' was organized to raise cyber awareness among employees. These initiatives demonstrate our commitment to ensuring a robust Cyber Security system within the organization.

- MIDHANI successfully implemented an ERP Online Daily Production reporting application, enabling accurate day-wise production volume tracking across various shops. This system also provides cumulative monthly and yearly production tonnage data. Additionally, a 'Material Tracking System' was implemented to track dispatchable materials across the shops, as well as monitor the online tracking of inbound and outbound materials to and from MIDHANI. These systems enhance operational efficiency and streamline material management processes within the organization.

- During the year under review, the Disaster Recovery (DR) site setup was made operational at Rohtak Plant and the visitor management system and Hospital Management systems was also implemented.

- MIDHANI responsibly managed and disposed of approximately 1000 kilograms of IT electronics scrap as e-waste, contributing to a cleaner environment and sustainable waste management practices.

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

14.1 During FY 2022-23, MIDHANI participated in two significant exhibitions: Defexpo 2022, held at Gandhinagar, Gujarat from October 18 to 22, 2022, and AeroIndia 2023, held at Bangalore, Karnataka from February 13 to 17, 2023. These exhibitions provided valuable platforms for showcasing MIDHANI's capabilities and engaging with industry leaders, stakeholders, and potential customers on a global scale.

14.2 MIDHANI hosted a panel discussion on 'Aeronautical Materials' at Hotel The Park, Hyderabad on December 7, 2022. Dr. G Satheesh Reddy, Scientific Adviser to Raksha Mantri was chief guest for the event. The panel discussion witnessed the participation of 75 Aeronautical customers and inspection agencies from prominent organizations such as Hindustan Aeronautics Limited, Gas Turbine Research Establishment, Aeronautical Development Agency, National Aerospace Laboratories, Defence Metallurgical Research Laboratory, Centre for Military Airworthiness & Certification, Directorate General of Aeronautical Quality Assurance, among others. This event served as a platform for insightful discussions and fruitful interactions on the subject of aeronautical materials.

14.3 On December 27, 2022, the Wide Plate Mill was inaugurated by the Hon'ble President of India, Smt. Droupadi Murmu. The inauguration ceremony included an exhibition featuring Defence products, with participation from esteemed organizations like Defence Research and Development Organisation, Bharat Dynamics Limited, Hindustan Aeronautics Limited, Bharat Electronics Limited, Armoured Vehicles Nigam Limited, and six start-up companies. The exhibition was also accesible to the general public on December 28, 2022.

15. QUALITY MANAGEMENT ACTIVITIES:

15.1 During FY 2022-23, MIDHANI successfully completed the preparation and testing of approximately 38,000 various samples for mechanical testing purposes. Additionally, the company conducted testing on over 15,000 micro samples. These extensive testing efforts demonstrate our commitment to ensuring the quality and reliability of our products.

15.2 In August 2022, MIDHANI successfully completed the Surveillance Assessment for the Certification of its Quality Management System. The assessment was conducted to ensure compliance with the AS9100:2016 and ISO 9001:2015 standards.

15.3 MIDHANI successfully completed audit for Metrology as a calibration lab, resulting in the grant of accreditation. Additionally, the renewal audit of Chemical, Mechanical, and Metallography laboratories was carried out successfully, leading to the renewal of accreditation by NABL (National Accreditation Board for Testing and Calibration Laboratories) in March 2023.

15.4 MIDHANI successfully obtained the ISI mark license for the supply of 300 series stainless steel plates, affirming its adherence to national quality standards. Additionally, MIDHANI made remarkable progress by establishing the Immersion Ultrasonic Testing of SF800H Extruded Tubes for the first time.

15.5 MIDHANI successfully demonstrated and established Immersion Ultrasonic Testing for 0.4mm FBH acceptance criteria in collaboration with DMRL for DMR-SN-742 grade material, marking a significant milestone as the first of its kind in the country.

15.6 MIDHANI conducted the inspection and testing of 38 MDN250 plates within a month. Throughout the FY 2022-23, a total of approximately 209 plates underwent rigorous testing, inspection, and received clearance.

16. SUPPLY CHAIN MANAGEMENT PERFORMANCE:

16.1 **Vendor Meet:** MIDHANI organized a Vendor Meet on November 3, 2022, with the aim of facilitating direct interaction with our vendors. The event served as a platform to showcase the recent developments and product profiles of MIDHANI, while also providing an opportunity to address any issues faced by the vendors. This collaborative approach was undertaken to enhance the overall procurement process and foster stronger partnerships with our valued vendors.

16.2 **Encouragement to Micro and Small-Scale Industries:**

- MIDHANI remains committed to promoting and supporting Micro and Small Enterprises (MSE) by actively engaging in sourcing a diverse range of goods and services from them. In the fiscal year 2022-23, the percentage value of goods and services procured from MSE units accounted for an impressive 45.02% of the total domestic value of procurement. This highlights our dedication to fostering the growth and development of MSE units, as well as our commitment to inclusive and sustainable business practices.

- MIDHANI actively engaged in fostering collaborations with prominent organizations like FICCI and MSME Development Institute, Hyderabad to expand our vendor base and include more Micro and Small Enterprises. Furthermore, we actively participated in MSME exhibitions held at Kota and Hyderabad, which served as important platforms for networking, knowledge sharing, and exploring potential partnerships with MSEs. These initiatives highlight our commitment to promoting MSEs and nurturing their growth within the industry.

16.3 **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 Anand Deep IRS (Retd.) and Shri Mallikarjuna Rao, IFS (Retd.) act as our Independent External Monitors (IEM) to ensure compliance and adherence to ethical standards. During FY 2022-23, approximately 85.55% 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.

16.4 **eProcurement:** To enhance transparency in our procurement processes, MIDHANI has made significant efforts to maximize the use of eProcurement. We are proud to report that during the reporting period, approximately 92.4% of our total procurement, excluding the exempted category, was conducted through the eProcurement mode. This demonstrates our commitment for leveraging technology for streamlined and efficient procurement practices, ensuring fairness, competitiveness, and transparency in the procurement process. By embracing eProcurement, MIDHANI continues to promote a culture of transparency, accountability, and efficiency in its procurement operations.

16.5 **Government e Marketplace (GeM):** MIDHANI has made significant strides in maximizing its procurement through the Government e Marketplace (GeM) platform. During FY 2022-23, MIDHANI released purchase orders amounting to ₹ 12,591 Lakh showcasing a multifold increase compared to the GeM procurement value of ₹ 2,660 Lakh during FY 2021-22. This highlights our commitment to leveraging the GeM platform to streamline our procurement processes, enhance efficiency, and promote transparency in the acquisition of goods and services. By actively engaging with GeM, MIDHANI is reinforcing its dedication to embracing digital technologies and government initiatives for a more seamless and robust procurement ecosystem.

17. RISK MANAGEMENT:

17.1 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 and Corporate Management Committee Meetings. In compliance with Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015), MIDHANI has established a dedicated Risk Management Committee.

17.2 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.

18. HUMAN RESOURCE DEVELOPMENT:

18.1. Human Resource Development (HRD) encompasses various initiatives such as employee training, career development, performance management, coaching, mentoring, and succession planning. The aim of HRD at MIDHANI is to enhance the skills, knowledge, and abilities of employees to achieve organizational goals.

18.2. Development of human resources is crucial for organizational growth. By creating a conducive environment, organizations can tap into the unlimited potential capabilities of their workforce. MIDHANI recognizes the significance of its human resources and strives to build a motivated and committed workforce. HR management has evolved into a strategic function from a traditional support role.

18.3. Human Resource Development has greatly contributed to the organization's well-being, leading to a stronger workforce, improved relations, and higher productivity and profitability. At MIDHANI, Employees are considered as most valuable asset, and their talent management is aligned with technology to drive company's growth.

18.4. The Company values its highly skilled and self-motivated employees. Continuous training and development modules are provided to upgrade their knowledge and skills, with special emphasis on the development of employees from SC, ST, OBC, and Differently abled categories.

18.5. **Manpower Position:** The manpower strength of MIDHANI as on March 31, 2023 stands at 478 Non-Executives, 25 Non-Unionized Supervisors and 248 Executives compared with 486 Non-Executives, 36 Non-Unionized Supervisors and 248 Executives as on March 31, 2022.

18.6. The total manpower strength under permanent category of your Company as on March 31, 2023 is as under:

Particulars	Non-Executives	Non-Unionized Supervisors	Executives	Total
Male	434	23	218	675
Female	44	2	30	76
Total	**478**	**25**	**248**	**751**

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
87	46	210	135	478

18.7. **Employee Welfare Initiatives:** The various employee welfare initiative taken during FY 2022-23 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, 2022 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.

- **Post-Retirement Medical Benefit Scheme (PRMBS):** The PRMBS (Post-Retirement Medical Benefit Scheme) for Executives and Non-Unionised Supervisors who retired after January 1, 2007 along with the Group Medical Insurance Scheme for Employees retired prior to January 1, 2007 have been successfully implemented. Medical insurance cards have been issued to the beneficiaries, including Executives, Non-Unionised Supervisors, and Non-Executives. Additionally, the PRMBS for Non-Executives retired on or after January 1, 2007 was implemented from May 1, 2015 as approved by the Board. These schemes are currently operational.

- **Education Scholarship for wards of Workmen / employees of MIDHANI Studying in BPDAV School:** Merit Scholarships are awarded to the children of employees who are studying in classes 1 to X and have achieved the 1st and 2nd ranks in their previous class's final examinations. The recipients of the scholarship will receive ₹ 6,000/- and ₹ 3,000/- per annum, respectively. Additionally, children of workmen in WG-0 to WG-5 who pass their previous class (I to X) and move on to the next grade are eligible for an Education Scholarship of ₹ 300/- per month.

- **School Activities:** Brahm Prakash D A V School, located in MIDHANI Township, is managed by the Company for the benefit of MIDHANI employees' children and for students located nearby MIDHANI. The school focuses on the holistic development of students, encouraging their participation in extracurricular activities such as sports, and Scouts & Guides. The students have achieved great success in academics, sports, and cultural activities, bringing pride to the school.

- **Township:** MIDHANI has provided housing facilities to its essential services employees through a Township comprising of 87 quarters.

18.8. **Women Empowerment:**

- MIDHANI provides a platform for women employees to excel and contribute to organizational goals. With 76 women employees in executive and non-executive roles, they are involved in various departments across the company. Management supports their development through training programs and ensures their welfare in compliance with regulations.

- To encourage women employees to strengthen their technical skills and overall grooming, Management nominates women employees for in-house as well as external training programs.

- MIDHANI celebrates International Women's Day program every year on 8th March. As part of celebrations on March 8, 2023, the theme was "DigitALL: Innovation and technology for gender equality". As part of this program, we have conducted outbound training session for women employees on "Corporate Well-being by Conscious Living".

18.9. **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.

18.10. **Environment management:** MIDHANI persistently prioritized the preservation and enhancement of ecological balance within and around its factory premises through the establishment and upkeep of a diverse and extensive plantation. The green belt at MIDHANI, comprising thousands of plants, forms a dense canopy of greenery. This endeavor effectively mitigates air and dust pollution while also providing a conducive habitat for various bird species.

19. DIRECTORS, EMPLOYEES AND RELATED DISCLOSURES:

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

20. TRAINING & DEVELOPMENT:

20.1 During the FY 2022-23, the Training & Development Department significantly increased its training man days from 1236 to 2855. This was achieved through various training programs, including 18 In-House Training programs for Casuals/FTC's, Executives, NUS & Non-Executives, as well as 17 External programs for Executives, NUS & Non-Executives. Additionally, as part of the industry-academia interface program, eight plant visits were organized throughout the year.

20.2 MIDHANI is fully committed to fulfilling its obligations under the Apprentice Act 1961. As part of this commitment, we have engaged approximately 187 Trade Apprentices in various trades such as Electrician, Fitter, Welder, Machinist, and Turner for one-year on-the-job training. Additionally, under the Board of Apprenticeship Training (BOAT) Scheme, we have provided on-the-job training to 6 Graduate Apprentices (GATs), 10 Technician Apprentices (TATs), and 6 Sandwich Diploma Engineering (Metallurgy) students from Govt. Polytechnic. These initiatives reflect our committment for nurturing and developing skilled professionals in the industry.

20.3 In addition to on-the-job training for apprentices, MIDHANI has organized various skill development training programs.

These programs include knowledge transformation sessions and motivational sessions conducted by the Assistant Director of Regional Director of Apprenticeship Training (RDAT), covering a total of 664 man-days. These initiatives aim to enhance the skills and motivation of our workforce, ensuring their continuous growth and development.

21. STATUTORY & SOCIAL OBLIGATIONS:

21.1 CORPORATE SOCIAL RESPONSIBILITY (CSR):

- 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 ₹ 393.42 Lakh for CSR activities against the mandatory requirement of ₹ 414.33 Lakh after setting off excess CSR expenditure of ₹ 29.08 Lakh during previous year. Thus, the cumulative CSR expenditure incurred by MIDHANI over the years has crossed ₹ 3,714.02 Lakh. The unspent amount of ₹ 22 Lakh pertaining to an ongoing project has been transferred to unspent CSR Account in line with Section 135 (6) of the Companies Act, 2013.
- 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 Primary Health Care Centre' was set up through 'MIDHANI Primary Health Care Trust' to cater to the medical needs of the public living in and around MIDHANI. An amount of ₹ 133.54 Lakh was spent towards Medicines and Administrative Cost.

  ii) Basic checkup and medicines are provided free of cost to the needy patients at MIDHANI Primary Health Care Centre.

  iii) Sponsored Anesthesia Work Station and Patient Bed Lift through Seva Bharathi – NGO amounting to ₹ 20 Lakh.

  iv) Sponsored Mobile Ambulance to ABV Foundation amounting to ₹ 20 Lakh.

  v) Sponsored health awareness campaign at remote areas of Lucknow, Uttar Pradesh through Mamta Charitable Trust amounting to ₹ 20 Lakh.

  vi) Sponsored ESG Machines (10 no's) to DHMO Office, Hyderabad for Bhasti Dawakhanas.

  (b) Annual maintenance of Toilets constructed by MIDHANI under Swachh Bharat Mission:

  i) Location: Public Toilet constructed around MIDHANI.

  ii) Total Project Expenditure: ₹ 0.25 Lakh.

  iii) No of beneficiaries: 100-150 per day.

  (ii) Promotion of Education:

  (a) 7 Children belonging to SC/ST category whose parents fall in lower income group were given admission in to LKG and the entire fee shall be borne by MIDHANI till they complete 10th Class.

  (b) Sponsored Dual Desks to various Government Schools of Kothagudem (Aspirational Dist) at an expenditure of ₹ 45.34 Lakh.

  (iii) Skill Development:

  (a) Every year MIDHANI is inducting more than 10% 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 ₹ 80.40 Lakh is accounted under CSR as per the guidelines.

- Actual Expenditure incurred in FY 2022-23 is ₹ 3,93,41,715/- against mandatory expenditure of ₹ 4,43,41,000/- and Company has set-off ₹ 29,08,000/-

pertaining to excess expenditure during FY 2021-22. The Annual Report on CSR forms part as **Annexure – III** of this Annual Report. The unspent amount of ₹ 22,00,000 pertaining to an on-going project has been transferred to unspent CSR account.

21.2 **DISCLOSURE UNDER SEXUAL HARRASEMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

- At our Company, we are committed to provide a safe and inclusive workplace environment for all employees, with special emphasis on the safety and well-being of women. To ensure this, we have established an Internal Complaints Committee (ICC) dedicated to addressing and resolving complaints related to sexual harassment. The ICC operates in accordance with our policy, following guidelines that prioritize the protection and support of all individuals involved.
- During the review period, we are pleased to report that the Internal Complaints Committee (ICC) did not receive any complaints regarding sexual harassment. Furthermore, as of the end of FY 2022-23, there are no pending complaints related to sexual harassment. This signifies our continuous efforts in providing a safe and respectful work environment for all employees.

21.3 **CONTRIBUTION TO EXCHEQUER:**

During FY 2022-23, your Company contributed an amount of ₹ 26,027.52 Lakh in the form of Dividend, Duties and Taxes vis-a-vis ₹ 22,363.05 Lakh during FY 2021-22.

21.4 **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 viz. https://midhani-india.in/annual-return/

21.5 **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**.

21.6 **BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (BRSR):**

- 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.

21.7 **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 Act. 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. The company's website is regularly updated to keep stakeholders informed about news and developments. During FY 2022-23, 165 RTI applications were received and 173 applications were disposed of, including those from the previous period. Additionally, 11 RTI appeals were raised and resolved within the same year. MIDHANI submits quarterly returns to the authorities in accordance with the regulations.

21.8 **RAJBHASHA IMPLEMENTATION:**

- MIDHANI diligently complied with the directives and regulations set by Government of India for promoting use of Hindi in official work. Regular quarterly meetings of the Official Language Implementation Committee were held, chaired by the Chairman & Managing Director, and progress reports were submitted to the Ministry of Defence (MoD) and Ministry of Home Affairs (MHA) and to Town Official Language Implementation Committee - Undertaking (TOLIC-U).
- As a recognition of your company's excellent performance in official language implementation, MIDHANI received the Rajbhasha Award and was notified in the Gazette of India for achieving 80% proficiency in Hindi. To further encourage the usage of Hindi, MIDHANI provided Hindi training courses to employees. Hindi awareness workshops were organized for employees to facilitate their day-to-day official work in Hindi.
- In compliance with the Ministry of Home Affairs' directives, "HINDI FORTNIGHT" celebrations were conducted. MIDHANI also celebrated "WORLD HINDI DAY" by conducting various programs. Additionally, the company published the 25th and 26th issues of its inhouse Rajbhasha House Journal 'Sankalp' as an e-Magazine during the FY 2022-23.

21.9 **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 2022-23.
- 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 viz. https://midhani-india.in/policies/

22. VIGILANCE ACTIVITIES:

22.1 The company's Vigilance Department is led by Dr. Upender Vennam, an IPoS officer, as the Chief Vigilance Officer (CVO). In this role, the CVO acts as an advisor to the Chairman & Managing Director (C&MD) on all vigilance-related matters and serves as a liaison between the organization and the Central Vigilance Commission (CVC).

22.2 During the concluded financial year, the Vigilance Department focused on preventive vigilance, aiming to eliminate favoritism and arbitrariness through the standardization of rules and procedures. Regular inspections, both planned and surprise, were conducted on procurement contracts, sub-contracts, and other processes.

22.3 Chief Technical Examination (CTE) inspections were carried out in areas such as procurement, civil works, and consumption of high-speed diesel, with reports submitted to the management. Four structured meetings between the Chairman & Managing Director and the Chief Vigilance Officer were held during FY 2022-23. Additionally, the Vigilance Department suggested fifteen systemic improvements and good practices in various areas, including human resources, IT, security, and procurement/contracts. These suggestions were considered by the management and made available on the company website.

22.4 During the year, the Vigilance Department in MIDHANI focused on promoting transparency, fairness, and ethicality in company transactions and processes through awareness campaigns and training programs. Vigilance Awareness Week 2022 was observed in MIDHANI from October 31 to November 6, 2022 focusing on CVC theme of "Corruption free India for a developed Nation. The 10th issue of the in-house vigilance magazine "JAGRUTI" was also published and made available to all MIDHANI employees.

23. VIGIL MECHANISM:

23.1 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.

23.2 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.

23.3 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. viz. https://midhani-india.in/department_vigilance/rolefunctions-of-vigilance-department/

24. AWARDS AND RECOGNITION:

MIDHANI was honored with Rajbhasha Puraskar for excellent implementation of Official Language in the 56th half yearly meeting of Town Official Language Implementation Committee (Undertaking), Hyderabad-Secunderabad held on October 28, 2022 at BDL, Kanchanbagh, Hyderabad.

25. 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.

26. CORPORATE GOVERNANCE:

26.1 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**.

26.2 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**.

26.3 In line with the Revised Grading norms for CPSEs, your Company has achieved a perfect score of 100% for the FY 2022-23 in terms of compliance with the Guidelines on Corporate Governance issued by the Department of Public Enterprises (DPE).

27. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

27.1 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.

27.2 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.

27.3 The Company engaged the services of external audit firm Eswar & Co. to conduct the internal audit during the year, with a focus on assessing the adequacy of systems and controls. The audit reports prepared by Eswar & Co. 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.

27.4 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 Act.

28. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL:

28.1 The Board of your Company at the beginning of FY 2022-23 comprised of Four (4) Directors i.e. Two (2) Functional Directors, One (1) Government Nominee Director and One (1) Independent Director, all eminent personalities with vast experience from diverse fields. Subsequently, Smt. Vallikkat Thanayankizhil Rema (DIN: 09561611) was appointed as Independent Director w.e.f. April, 5, 2022 and Shri T. Muthukumar was appointed as Director (P&M) w.e.f. June 23, 2022.

28.2 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.

28.3 During the year under review, the following changes in composition of Board of Directors were observed:

- Smt. Vallikkat Thanayankizhil Rema (DIN: 09561611) was appointed as the Woman Independent Director on the Board of Mishra Dhatu Nigam Limited by the Ministry of Defence, vide letter No. 11(70)/2021/Misc./D(NS) dated March 25, 2022, effective from April 5, 2022, for a period of 3 years or until further order by the Ministry. The appointment was approved by the Members of the Company through a Special Resolution passed on June 30, 2022, via the Postal ballot process, in accordance with Regulation 17(1C) & 25(2A) of SEBI (Listing Obligations and Disclosure Requirements) , Regulations 2015 (SEBI Listing Regulation).

- Cmde Siddharth Mishra, former C&MD of Bharat Dynamics Limited (BDL), was entrusted with the additional charge of the post of Director (P&M) vide letter no: 2(13)/2015/MDN/D(NS-I) dated May 27, 2022 by the Administrative Ministry. The appointment was effective from May 11, 2022, for a period of 6 months. However, Cmde Siddharth Mishra did not assume the charge.

- Shri Thulasiraman Muthukumar (DIN:09636771) was appointed as Director (Production & Marketing) (pay scale of ₹ 1,60,000 – 2,90,000 (IDA)) on the Board of Mishra Dhatu Nigam Limited by the Ministry of Defence vide letter No. 5/1(1)/2020/D(NS) dated June 9, 2022. Shri T. Muthukumar assumed charge of the post on June 23, 2022. The members of the Company approved his appointment through an Ordinary Resolution passed via postal ballot on August 03, 2022, in accordance with Regulation 17(1C) of the SEBI Listing Regulations. His appointment is effective until June 30, 2025, or until further orders by the Ministry of Defence.

- Shri Surendra Prasad Yadav, (JS – LS) (DIN:02267582) was appointed as Govt. Nominee Director in place of Shri Anurag Bajpai (DIN: 08948155) w.e.f. November 10, 2022. The members of the Company approved appointment of Shri Surendra Prasad Yadav, (JS – LS) through an Ordinary Resolution passed via postal ballot on January 27, 2023, in accordance with Regulation 17(1C) of the SEBI Listing Regulations.

28.4 In accordance with provisions of the Companies Act, 2013, Dr. Sanjay Kumar Jha, Chairman & Managing Director (DIN: 07533036) retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible has offered himself for re-appointment.

28.5 The Notice of the 49th 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.

28.6 **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.

29. REMUNERATION POLICY:

29.1 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.

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

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

30. DECLARATION AND MEETING OF INDEPENDENT DIRECTORS:

30.1 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.

30.2 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.

30.3 During FY 2022-23, one (1) meeting of the Independent Directors was conducted on March 15, 2023, in accordance with the provisions of the Companies Act, 2013, and SEBI Listing Regulations.

31. DIRECTORS' RESPONSIBILITY STATEMENT:

31.1 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, 2023, 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, 2023; and of the Profit of the Company for the year ending on March 31, 2023;

c. the Directors have taken proper and sufficient care has been taken 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, 2023 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.

32. AUDITORS:

32.1 **Statutory Auditors:** C&AG of India appointed M/s Sarath & Associates, Chartered Accountants, Hyderabad, [Firm Registration No. 005120S] as Statutory Auditors of the Company for conducting audit of accounts for the year ended March 31, 2023. The Auditors Report of Statutory Auditors on the Financial Statements for the financial year ended on March 31, 2023, is an unmodified opinion i.e., it does not contain any qualification, reservation or adverse remark.

32.2 **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 2022-23 in terms of Section 148 of Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014.

32.3 **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 C V Reddy K & Associates, Hyderabad [FRN: S2010AN130900] as Secretarial Auditors of the Company for the FY 2022-23. The Secretarial Audit Report forms part of Annual Report as **Annexure – VIII** along with management reply to the observations therein.

32.4 **Internal Auditor:** Your Company engaged Eswar & Co. [Firm Registration No. 007288C] to conduct Internal Audit for FY 2022-23.

33. 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, 2023 is placed in Annual Report after Statutory Auditors Report.

34. DISCLOSURES UNDER COMPANIES ACT, 2013:

34.1 **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.

34.2 **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.

34.3 **Board Meetings:** During the financial year ended on March 31, 2023, the Board met seven (7) times on June 26, 2022, July 27, 2022, October 3, 2022, November 14, 2022, December 19, 2022, February 8, 2023 and March 15, 2023. For further details of these meetings, Members may please refer 'Report on Corporate Governance' which forms part of this Annual Report.

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

34.5 **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.

35. GENERAL AFFIRMATIONS AND DISCLOSURES:

35.1 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.

35.2 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 2022-23 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).

36. ACKNOWLEDGEMENT:

36.1 The Board of Directors extends their heartfelt gratitude for the unwavering support and assistance received from various Government agencies, particularly the Ministry of Defence, establishments under DRDO, and other Central and State Government agencies. The Directors also express their sincere appreciation to the customers, vendors, bankers, C&AG, statutory/internal auditors, Chairperson of the Audit Committee, Chairperson of other sub-Committees of the Board, advisers, consultants, and stakeholders associated with the Company for their continuous support and guidance throughout the year.

36.2 The Directors would like to express their sincere appreciation for the significant contributions and exceptional cooperation provided by all the employees of the Company.

36.3 The Directors would also like to extend their gratitude and appreciation to all the shareholders and investors for their unwavering trust and confidence in the Company. The Directors eagerly anticipate their continued support, which will propel the Company towards even greater accomplishments 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 : July 18, 2023

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 signs "Integrity Pact" with respective bidders in all high value procurement indents.
- Implementation of Right to Information Act, 2005 and MIDHANI website is updated on continuous basis for stakeholders awareness about various news and developments.
- MIDHANI'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.

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, is outlined below.

Board of Directors

Composition of the Board

As on March 31, 2023, 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 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, 2023, 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, 2023 the following appointment of Directors was observed:

- Smt. V. T. Rema (DIN: 09561611) was appointed as an Independent Director on the Board of MIDHANI w.e.f. April 5, 2022 for a period of three (3) years or until further orders whichever is earlier vide letter No11(70)/2021/Misc./D(NS) dated March 25, 2022 issued by MoD. The Members of Company accorded their approval to such appointment by passing special resolution through postal ballot process on June 30, 2022.
- Shri Thulasiraman Muthukumar (DIN: 09636771) was appointed as Director (Production and Marketing) on the Board of MIDHANI for a period commencing from date of assumption of charge of the post till June 30, 2025 or until further orders, whichever is earlier vide letter no.

5/1(1)/2020/D(NS) dated June 9, 2022 issued by MoD. Shri Thulasiraman Muthukumar assumed charge as Director (Production and Marketing) w.e.f. June 23, 2022. Members of Company accorded their approval to such appointment by passing an ordinary resolution through Postal Ballot on August 3, 2022.

- Shri Surendra Prasad Yadav (Joint Secretary – Land Systems) (DIN: 02267582) was appointed as Govt. Nominee Director of the Company in place of Shri Anurag Bajpai (DIN: 08948155) w.e.f. November 10, 2022. Members of Company accorded their approval to such appointment by passing an ordinary resolution through Postal Ballot process on January 27, 2023.

The composition of the Board of Directors as on March 31, 2023, 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 and Marketing)	June 23, 2022	None	09636771
GOVERNMENT NOMINEE DIRECTOR			
Shri Surendra Prasad Yadav Joint Secretary (LS), Department of Defence Production, Ministry of Defence	November 10, 2022	None	02267582
NON-EXECUTIVE – INDEPENDENT DIRECTOR(S)			
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 the Directors serve as Independent Director in more than seven listed companies or serve as Independent Director in more than three listed companies in case he/she serves as Whole-time Director in a listed Company.

Further, in terms of Regulation 25(8) of SEBI Listing Regulations, Independent Directors has confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. 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 Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

Dr. Sanjay Kumar Jha (DIN: 07533036) is liable to retire by rotation at the 49th Annual General Meeting scheduled to be held on September 29, 2023 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 49th 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, 2023, 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 Puttaparthi 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 seven (7) times during the financial year ended March 31, 2023. The average attendance of Directors for all the Board Meetings during the financial year was 92.71%, details thereof are as follows:

Date of Board Meeting	Board Strength	No. of Directors Present	No. of Independent Directors Present
26.05.2022	5	5	2 out of 2
27.07.2022	6	6	2 out of 2
03.10.2022	6	6	2 out of 2
14.11.2022	6	5	2 out of 2
19.12.2022	6	5	2 out of 2
08.02.2023	6	5	2 out of 2
15.03.2023	6	6	2 out of 2

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 to discuss, inter-alia, performance of the Board, its committees, and assessment of flow of information from management to the Board.

Details of Directors' attendance at the Board Meetings and Annual General Meeting as on March 31, 2023 along with name(s) of listed companies and category of directorship held, are as follows:

Name of Director	No. of Meetings attended during FY 2022-23	Attendance at last Annual General Meeting held on 29.09.2022	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	7	✓	2	None	None	None
Shri Gowri Sankara Rao Naramsetti	7	✓	1	None	1	None
Shri Valluri Chakrapani	7	✓	1	1	1	None
Smt V. T. Rema	7	✓	1	1	1	None
[@]Shri Thulasiraman Muthukumar	6	✓	1	None	2	None
[$]Shri Anurag Bajpai	3	Absent	Not applicable	Not applicable	Not applicable	Not applicable
[#]Shri Surendra Prasad Yadav	1	Not applicable	4	None	None	BEML Limited – Govt. Nominee Director.

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

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

[%]*Does not include chairmanships.*

[@]*Appointed as Director (Production and Marketing) w.e.f. June 23, 2022.*

[$]*Ceased to be Govt. Nominee Director of the Company w.e.f. November 10, 2022.*

[#]*Appointed as Government Nominee Director w.e.f. November 10, 2022.*

The Directors are not members of, more than ten Board Committees or Chair more than five such Committees. The number of Directorships, Committee membership(s)/ Chairmanship(s) of the Directors is within respective limits prescribed under the Companies Act, 2013 and 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 23, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration. The Directors were provided with an option to join the Meeting through video-conference, 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.

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. 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 during FY 2022-23:

(in ₹)

Name of Director	Salary & Allowances	Perquisites	Retirement benefits (Pension/ Gratuity)	Performance related pay during FY 2022-23 (pertaining to profits for FY20-21)
Dr. Sanjay Kumar Jha	54,64,975.37	-	7,09,592.00	20,01,984.00
Shri Gowri Sankara Rao Naramsetti	42,12,847.82	-	5,47,022.00	6,66,916.00
Shri Thulasiraman Muthukumar	42,29,775.80	-	5,53,683.00	-

Appointment and remuneration to Non-Executive Independent Directors

The appointment of Non-Executive Independent Director 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 with 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, 2023, are as under:

Name of Independent Director	Sitting fees (in ₹) For Board Meetings	Sitting fees (in ₹) For Committee Meetings
Shri Valluri Chakrapani	1,40,000/-	3,45,000/-
Smt. V. T. Rema	1,40,000/-	1,95,000/-

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, 2023, your Company has one Government Nominee Director i.e., Shri Surendra Prasad Yadav – JS (LS).

Board Committees

Ministry of Defence (MoD) appointed Shri Valluri Chakrapani (DIN: 00867270) and Smt. V. T. Rema (DIN: 09561611) as Independent Directors of the Company w.e.f. December 24, 2021 and April 5, 2022 respectively.

With appointment of two (2) Independent Directors on the Board of MIDHANI, as on March 31, 2023 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.

The terms of reference, details of composition and meetings details of committees are as below:

a) Audit Committee (AC):-

During FY 2022-23, five (5) meetings of Audit Committee were held on May 26, 2022, July 27, 2022, November 14, 2022, February 8, 2023 and March 14, 2023.

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	5	5
Smt. V. T. Rema	Independent Director	Member	5	5
*Shri Gowri Sankara Rao Naramsetti	Executive Director	Member	1	1
@Shri Thulasiraman Muthukumar	Executive Director	Member	4	4

*Ceased to be Member of Audit Committee w.e.f. July 01, 2022.

@Inducted as Member of Audit Committee w.e.f July 01, 2022.

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 Chairperson 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) Chairperson 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 Chairperson of the Audit Committee shall apprises the Board about the observations of the Audit Committee during the Board Meetings. The Minutes of the Audit Committee Meetings are placed before the Board of Directors at their subsequent meetings for information.

b) Nomination & Remuneration Committee (NRC)

As on March 31, 2023, the NRC comprised of Two (2) Independent Directors and One (1) Non-Executive Director. During FY 2022-23, one (1) Meeting of NRC was held on August 29, 2022.

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 Anurag Bajpai	Govt. Nominee Director	Member	1	1
*Shri Surendra Prasad Yadav	Govt. Nominee Director	Member	Not applicable	Not applicable

@Shri Anurag Bajpai ceased to be Govt. Nominee Director of the Company w.e.f. November 10, 2022.

*Shri Surendra Prasad Yadav was appointed as Govt. Nominee Director of the Company w.e.f November 10, 2022.

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 non-unionised supervisors;

(iii) Any new scheme of compensation like medical scheme, pension etc. to officers, non-unionised 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, 2023, SRC comprised of Two (2) Independent Directors and two (2) Executive Directors. During FY 2022-23, one (1) Meeting of SRC was held on March 14, 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
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	3	3	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, 2023, RMC comprised of Three (3) Executive Directors, One (1) Independent Director and Two (2) (non -Board) Members. During FY 2022-23, two (2) Meetings of RMC were held on September 24, 2022 and March 16, 2023.

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	2	2
Smt. K. Madhubala	Additional General Manager I/C (Finance & Accounts)	Member	2	2

@Shri Thulasiraman Muthukumar inducted as Member of RMC w.e.f. July 01, 2022.

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 & Sustainable Development (SD) Committee (CSR&SD)

As on March 31, 2023, the CSR&SD comprised of Three (3) Executive Directors and One (1) Independent Director.

During FY 2022-23, two (2) Meetings of CSR&SD were held on July 26, 2022 and February 7, 2023.

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 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 viz. https://midhani-india.in/WordPresscontent/uploads/2022/08/Revised%20CSR%20&SD%20Policy%20_%2027%20July%202022.PDF

A 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)

As on March 31, 2023, the PC comprised of three (3) Executive Directors and one (1) Independent Director. During FY 2022-23, six (6) Meetings of PC were held on May 10, 2022, May 27, 2022, June 15, 2022, October 22, 2022, December 27, 2022 and January 30, 2023.

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	6	6
Shri Gowri Sankara Rao Naramsetti	Executive Director	Member	6	6
Shri Valluri Chakrapani	Independent Director	Member	6	6
@Shri Thulasiraman Muthukumar	Executive Director	Member	3	3

@Shri Thulasiraman Muthukumar was inducted as Member of PC w.e.f. July 01, 2022.

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.

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)

As on March 31, 2023, HRC comprised of two (2) Independent Directors and two (2) Executive Directors.

During FY 2022-23, four (4) Meetings HRC were held on June 24, 2022, July 26, 2022, November 11, 2022 and January 30, 2023.

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
Shri Gowri Sankara Rao Naramsetti	Executive Director	Member	4	4
Smt. V. T. Rema	Independent Director	Member	4	4
Shri Thulasiraman Muthukumar [@]	Executive Director	Member	3	3

[@]Shri Thulasiraman Muthukumar was inducted as Member of HRC w.e.f. July 01, 2022.

The HRC was constituted by the Board of Directors on July 22, 2011. HRC is being headed by an Independent Director, the brief role 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.

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)

As on March 31, 2023, SCC comprised of three (3) Executive Directors. No Meeting of SCC was held during FY 2022-23. 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.

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 Manger 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.

Annual General Meetings (AGM)

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

Date & Time	46th Annual General Meeting held on September 29, 2020 at 11:00 a.m.	47th Annual General Meeting held on September 29, 2021 at 11:00 a.m.	48th Annual General Meeting held on September 29, 2022 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 2020 to FY 2023 no EGM was held.

Postal Ballot

During the year ended on March 31, 2023, the following Resolutions were passed through postal ballot (through e-voting):

1. Appointment of Smt. V. T. Rema (DIN:09561611) as Woman Independent Director (Special Resolution).
2. Appointment of Shri Thulasiraman Muthukumar (DIN: 09636771) as Director (Production and Marketing) (Ordinary Resolution).
3. Appointment of Shri Surendra Prasad Yadav (JS-LS) (DIN:02267582) as Govt. Nominee Director (Ordinary Resolution).

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, 2023, 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 2022-23.

Details of Compliance/Non-compliance under SEBI Listing Regulations

During FY 2022-23, MoD appointed Smt. V. T. Rema (DIN:09561611) as Independent Director on the Board of MIDHANI. MoD also appointed Shri T. Muthukumar (DIN:09636771) as Director (Production & Marketing) who assumed charge w.e.f. June 23, 2022. As on March 31, 2023, the Board of MIDHANI comprised of Three (3) Executive Directors, Two (2) Independent Directors and One (1) Govt. Nominee Director. During FY 2022-23, MIDHANI also constituted/re-constituted statutory Board level Committees in line with Regulations 17, 18, 19, 20 & 21 of SEBI Listing Regulations.

Hence as on March 31, 2023, MIDHANI complies with all SEBI Listing Regulations except Regulation 17(1)(b) of SEBI Listing Regulations with 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, 2023, 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 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, 2023.

As on March 31, 2023 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.

As on March 31, 2023, 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 viz. 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, 2023 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 viz. 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 3.42% as compared to 3.32% in the previous year and such percentage in respect of financial expenses was 3.71% when compared to 3.30% 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	Number of Complaints disposed of during FY-23	Number of Complaints pending as on end of FY-23
Nil	Nil	Nil

Fee paid to Statutory Auditor during FY 2022-23:

Particulars	Amount in ₹ Lakh
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 & 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 viz. 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', which is hosted on Company's website viz. 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 viz. http://midhani-india.in/departmentvigilance/whistle-blowerpolicy-document/.

Policy on Material Subsidiaries

Your company does not have any subsidiaries as on March 31, 2023, 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, 2023. 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 Annual General Meeting

Date	**September 29, 2023**
Time	**11:00 a.m. (IST)**
Venue	**Through Video conferencing In line with General Circular No. 10/2022 dated December 28, 2022, issued by MCA.**

Financial year and tentative calendar of Board Meeting for FY 24 is as under:

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

The tentative calendar of Board Meeting for FY 24 is as below:

Results for quarter ending June 30, 2023	On/before August 14, 2023
Results for quarter and half-year ending September 30, 2023	On/before November 14, 2023
Results for quarter ending December 31, 2023	On/before February 14, 2024
Results for the quarter and year ending March 31, 2024	On/before May 30, 2024

Dividend Payment date

The final dividend for the year ended March 31, 2023, if approved at the AGM, will be paid after September 29, 2023.

Record Date

The Record Date for the purpose of remote e-voting and payment of Dividend will be September 22, 2023.

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 viz. 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, 2023.

Listing of Equity Shares on Stock Exchanges and Stock Codes

Name of Stock Exchange(s)	Scrip 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 - 400 051	MIDHANI

MIDHANI Equity shares got listed in April, 2018 and as per market capitalization on March 31, 2023 MIDHANI fall under category of top 1000 listed companies.

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

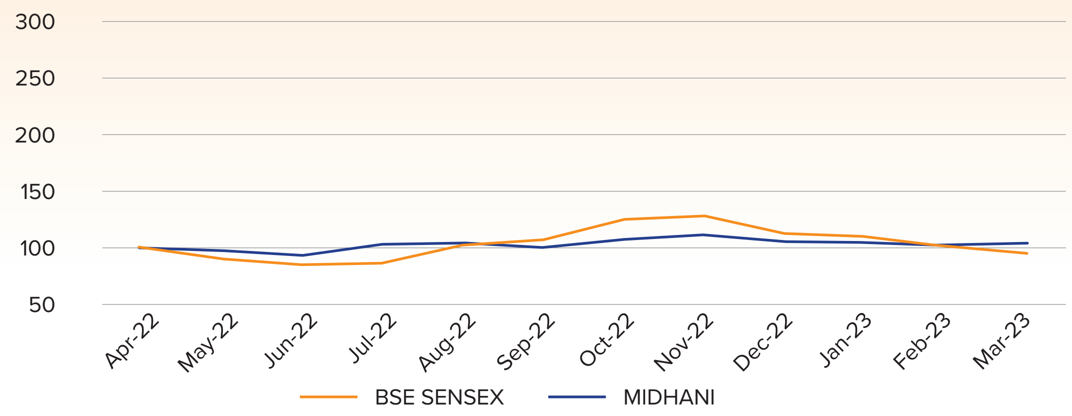
The annual listing fees have been paid to both stock exchanges i.e. BSE & NSE for financial year 2023-24. The Company has also paid Annual Custodian fees to both the Depositories i.e NSDL and CDSL.

Market price of shares

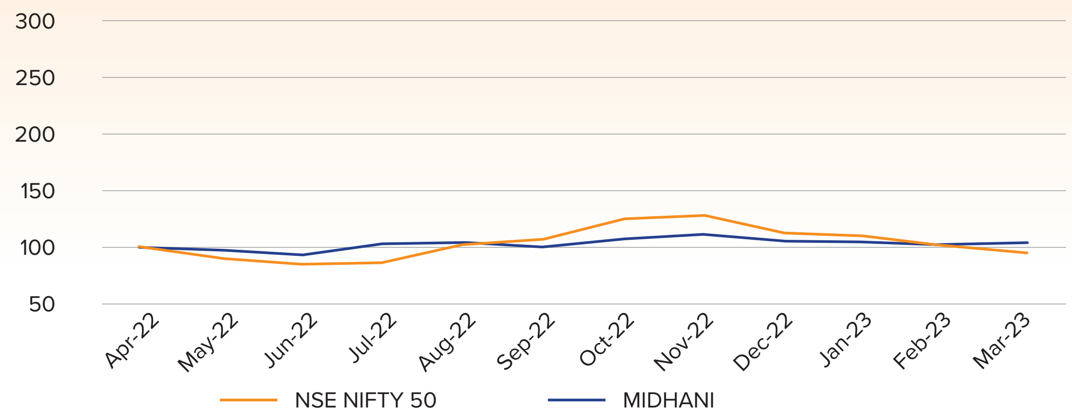
The details of high/low market prices of the shares of the Company during each month of FY 22-23 at BSE and NSE was as follows:

Month	BSE				NSE			
	MIDHANI		SENSEX		MIDHANI		NIFTY 50	
	High (in ₹)	Low (in ₹)	High	Low	High (in ₹)	Low (in ₹)	High	Low
Apr-22	214.35	166.50	60,845.10	56,009.07	214.60	166.10	18,114.65	16,824.70
May-22	193.20	158.10	57,184.21	52,632.48	193.50	157.60	17,132.85	15,735.75
Jun-22	179.40	155.65	56,432.65	50,921.22	179.30	155.55	16,793.85	15,183.40
Jul-22	179.00	160.50	57,619.27	52,094.25	179.75	160.00	17,172.80	15,511.05
Aug-22	199.80	168.20	60,411.2	57,367.47	199.70	168.50	17,992.20	17,154.80
Sep-22	233.15	194.70	60,676.12	56,147.23	233.30	194.80	18,096.15	16,747.70
Oct-22	261.25	204.70	60,786.70	56,683.4	261.25	204.40	18,022.80	16,855.55
Nov-22	268.85	218.35	63,303.01	60,425.47	268.90	218.35	18,816.05	17,959.20
Dec-22	248.90	193.70	63,583.07	59,754.10	248.90	193.70	18,887.60	17,774.25
Jan-23	229.50	200.05	61,343.96	58,699.20	229.95	201.00	18,251.95	17,405.55
Feb-23	215.20	189.30	61,682.25	58,795.97	214.90	189.10	18,134.50	17,255.20
Mar-23	206.50	172.80	60,498.48	57,084.91	206.80	172.25	17,799.95	16,828.35

Movement of MIDHANI Share at BSE during FY 23



Movement of MIDHANI share at NSE during FY 23



Note: The price of share of MIDHANI at BSE & NSE and BSE & NSE index has been baselined to 100 for April 2022.

Shareholding pattern as on March 31, 2023

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	6	2,24,96,355	12.01
Foreign Portfolio Investors	32	10,78,521	0.58
Insurance Companies	2	33,90,129	1.81
Bodies Corporate	346	17,51,931	0.94
Non-Resident Indians	1,357	6,69,650	0.36
Trusts	7	7,420	-
Clearing Members	28	33,015	0.02
HUF	1,824	8,01,605	0.43
Employees	128	47,723	0.03
Individuals	78,732	1,84,32,051	9.84
Total Public Shareholding (B)	**82,462**	**4,87,08,400**	**26**
Total Shareholding (A+B)	**82,463**	**18,73,40,000**	**100**

None of the Directors of Company hold shares in Company.

Distribution of shareholding by size as on March 31, 2023

No. of equity shares held	No. of shareholders	% of total shareholders	No. of equity shares held	% of paid up equity share capital
Upto 500	75,771	91.88	74,41,124	3.97
501-1000	3,552	4.31	28,01,792	1.50
1001-5000	2,728	3.31	56,66,518	3.02
5001-10000	228	0.28	16,47,063	0.88
10001 & above	184	0.22	16,97,83,503	90.63

Commodity risks or foreign exchange risk and hedging activities

Your Company had no exposure to commodity and commodity risks for the financial year 2022-23. 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. 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, 2023, the number of equity shares in electronic form and physical form was as follows:

Particulars	No. of shares	% of paid up equity shares
Demat shares with NSDL	17,70,13,600	94.49
Demat shares with CDSL	1,03,26,390	5.51
Physical shares	10	-
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, 2023.

Credit Ratings obtained 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, 2023.

Plant Locations (As on March 31, 2023)

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 : 040- 29568519/24184515
Fax : 040- 29568502
Email: company.secretary@midhani-india.in

Details of IEPF Nodal Officer

Shri Paul Antony
Company Secretary & Compliance Officer
P.O Kanchanbagh, Hyderabad- 500058
Tele: 040 2418 4515/ Fax: 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.

Further, in accordance with the proviso to Regulation 40(1) of the SEBI Listing Regulations, effective from April 1, 2019, transfer of shares of the Company shall not be processed unless the shares are held in the dematerialized form with a depository. As on March 31, 2023, 10 equity shares of the Company were held in physical form.

Management Discussion and Analysis

FORWARD LOOKING STATEMENTS:

Certain statements in this report regarding our business operations may constitute forward-looking statements. These include all statements other than statements of historic fact, including those regarding the financial position, business strategy, management plans and objectives for future operations. Forward looking statements can be identified by words such as ‘believes’, ‘estimates’, ’anticipates’, ‘expects’, ‘intends’, ’may’, ’will’, ’plans’, ’outlook’ and other words of similar meaning in connection with a discussion of future operational or financial performance. Forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and that may be incapable of being realized, and as such, are not intended to be guarantee of future results, but constitute our current expectations based on reasonable assumptions. Actual results could differ materially from those projected in any forward-looking statements due to various events, risks, uncertainties and other factors. We neither assume any obligation nor intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

The financial statements are prepared under historical cost convention, on accrual basis of accounting and in accordance with the provisions of the Companies Act, 2013 (the “Act”) and comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The management of Mishra Dhatu Nigam Limited (“MIDHANI” or “the Company”) has used estimates and judgments relating to the financial statements on a prudent and reasonable basis in order that the financial statements reflect in a true and fair manner, the state of affairs for the year.

The following discussions on our financial condition and result of operations should be read together with our audited consolidated financial statements and the notes to these statements included in the Annual Report.

Global economic overview:

The global economy finds itself in a profoundly uncertain period once more, as the combined impact of recent adverse events spanning three years—most notably, the COVID-19 pandemic and the conflict between Russia and Ukraine—unfolds in unforeseen ways. Driven by pent-up demand, persistent supply disruptions, and surges in commodity prices, inflation soared to levels not seen in decades in numerous economies. Consequently, central banks embarked on aggressive tightening measures to rein in inflation, aiming to restore it to their desired targets and maintain stable inflation expectations.

The baseline forecast is for global output growth, estimated at 3.4 percent in 2022, to fall to 2.8 percent in 2023, 0.1 percentage point lower than predicted in the January 2023 World Economy Outlook before rising to 3.0 percent in 2024.

For advanced economies, growth is projected to decline by half in 2023 to 1.3 percent, before rising to 1.4 percent in 2024. About 90 percent of advanced economies are projected to see a decline in growth in 2023.

For emerging market and developing economies, economic prospects are on average stronger than for advanced economies, but these prospects vary more widely across regions. On average, growth is expected to be 3.9 percent in 2023 and to rise to 4.2 percent in 2024.

In low-income developing countries, GDP is expected to grow by 5.1 percent, on average, over 2023–24, but projected per capita income growth averages only 2.8 percent during 2023–24, below the average for middle-income economies (3.2 percent) and so below the path needed for standards of living to converge with those in middle-income economies.

International Monetary Fund (IMF) global growth forecast, as of April 2023 (% change year on year)

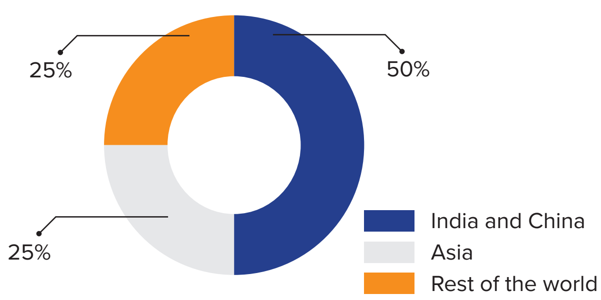
Particulars	2022	Projections 2023	Projections 2024
World Output	3.4	2.8	3.0
Advanced Economies	2.7	1.3	1.4
Emerging Market and Developing Economies	4.0	3.9	4.2
India	6.8	5.9	6.3
China	3.0	5.2	4.5
Low income developing countries	5.0	4.7	5.4

Source: IMF, World Economic Outlook April 2023

In 2023, the Asia-Pacific region is poised to be the most vibrant among the world's major regions, fueled primarily by the promising prospects of China and India. These two leading emerging market economies are anticipated to account for approximately half of the global economic growth this year, while the remaining countries in Asia and the Pacific region are projected to contribute an additional fifth.

In China, the economy is expected to expand by 5.2 percent in 2023, as the rapid economic reopening generates a strong recovery in private consumption. In India, growth momentum will begin to slow as softening domestic demand offsets strong external services demand; growth is expected to moderate slightly from 6.8 percent in 2022 to 5.9 percent this year.

Global Growth Contribution in CY2023 (%)



Source: IMF Regional Economy Outlook May 2023.

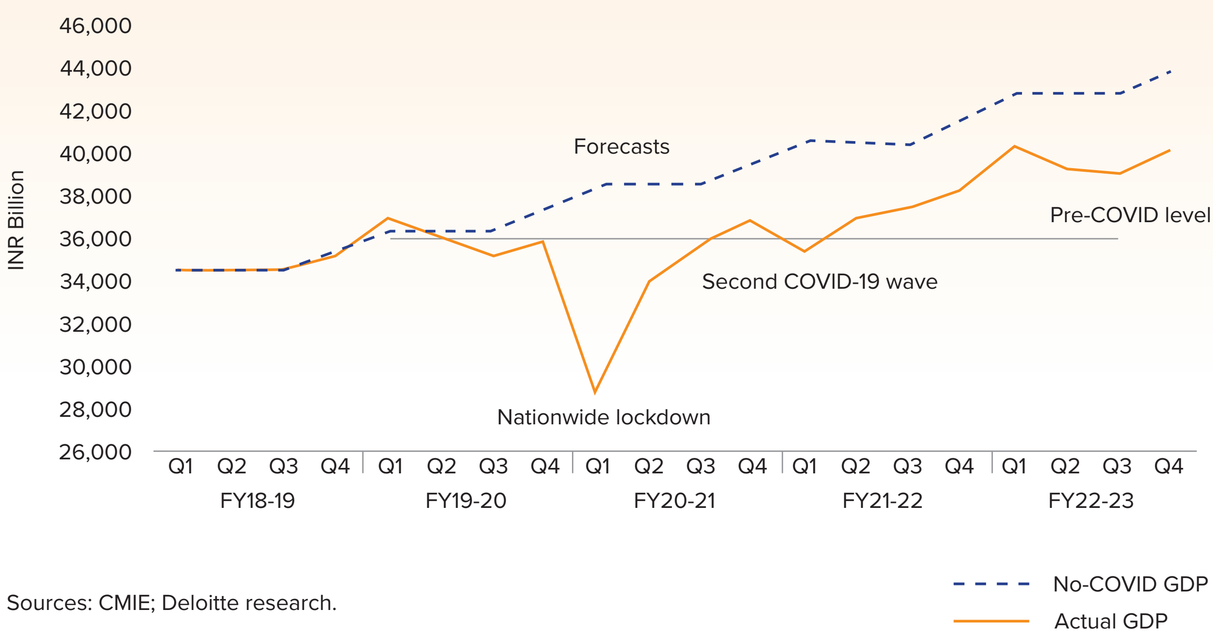
Indian economic overview

India has already claimed its position as the fifth largest global economy based on market exchange rates and holds the third spot when considering purchasing power parity (PPP). Projections from the Organisation for Economic Cooperation and Development (OECD) indicate that India is poised to ascend further, becoming the second largest economy worldwide in terms of PPP by the year 2048.

A conducive domestic policy environment and the Government's sustained focus on structural reforms have kept India's economic activity robust despite global headwinds. A combination of rising disposable income, easy availability of credit and a lowering interest rate in the wake of a stabilising inflation trajectory will bode well for economic growth, going forward.

India's GDP is witnessing a strong rebound

Real GDP (seasonally adjusted, level values)



Sources: CMIE; Deloitte research.

India's economy remained remarkably resilient amid concerns of an impending global recession, reaffirming its position as one of the fastest-growing major economies in the world. T despite combating several challenges such as high inflation, soaring commodity prices and disruptions in global trade due to geopolitical conflicts in Europe. However, the Government and the Reserve Bank of India (RBI) have implemented several measures to tackle these concerns and their efforts are expected to bear fruit, as demonstrated by declining global commodity prices. Overall, India's economy is on course to achieve significant progress in the upcoming fiscal year.[1]

The Union Budget for FY24 includes major provisions for agriculture development and farmers' welfare. The services sector is projected to clock a year-on-year growth rate of 9.1% in FY23, surpassing the 8.4% growth recorded in FY22. This expansion is driven by strong pent-up demand for contact-intensive services, which has been enabled by the world's largest vaccination programme. Private consumption has maintained its upward trend, with a projected growth rate of 7.7% in FY23, slightly lower than the 7.9% growth rate observed in FY22.[2]

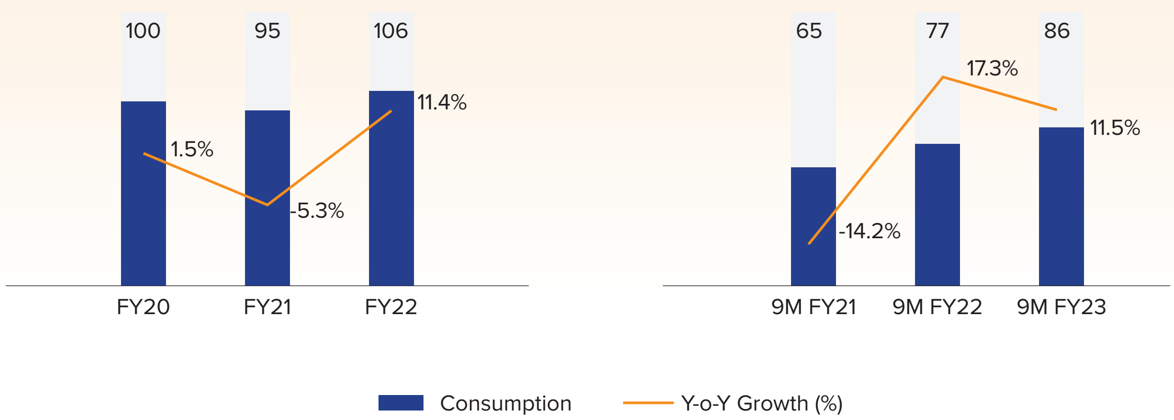
Industry overview:

The global superalloys market was valued at $6.8 billion in 2021, and is projected to reach $15.1 billion by 2031, growing at a CAGR of 8.5% from 2022 to 2031. The market for superalloy is expanding due to increased demand from the rising nations, caused by their increased need for electrical power. The surge in demand for industrial gas turbines, particularly for the oil and gas industry in developing countries like India, Brazil, China, and West Africa, is also anticipated to present the industry's players with major development prospects in the near future.[3]

The steel industry has grown significantly over time. The country is now a global force in steel production and the 2nd largest crude steel producer in the World and it also aids to key industries like engineering, construction, infrastructure, transportation, and defence.

According to a report by CARE edge research, the production and consumption of domestic steel grew by 5.7% and 11.5%, respectively, on a year-on-year (y-o-y) basis during the first nine months of FY23 (April-December). Production of domestic crude steel increased by 5.7% over the same period last year, from 77.58 Mt to 81.96 MT and the consumption of same increased by 11.5% which increased to 75.340 MT from 67.32 MT last year.[4] The growth of this sector depends on the availability of its raw material i.e. iron ore which is crucial because of inefficiencies and environmental concerns.

Consumption of Finished Steel
(In Million)



Source: CMIE, CareEdge Research Note:
9M period refers to April to December

[1] https://www.pib.gov.in/PressReleasePage.aspx?PRID=1889192

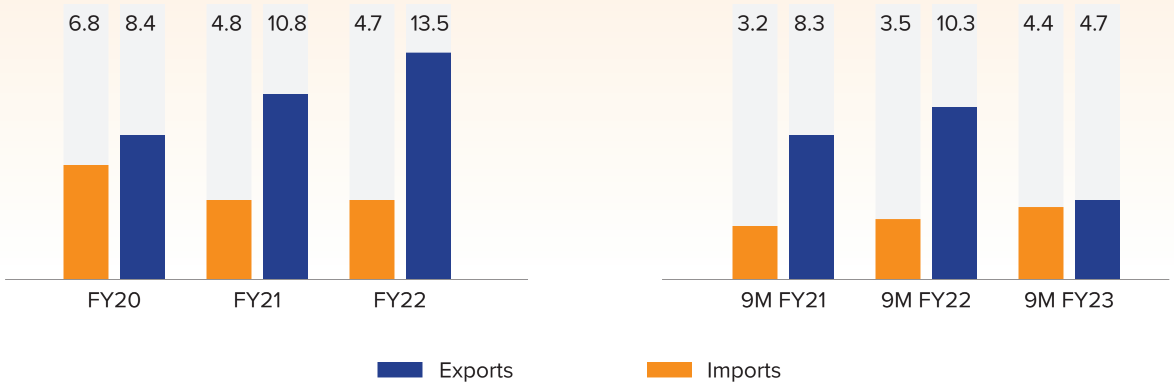
[2] https://pib.gov.in/PressReleasePage.aspx?PRID=1895288

[3] https://www.alliedmarketresearch.com/superalloys-market

[4] https://pib.gov.in/PressReleasePage.aspx?PRID=1886625

If we look into the exports of the steel sector, it recorded a 13.5 MT of steel in FY 22 where China and Europe were our major consumers. But reverse happen in first nine months of FY 23, it declined sharply by 54% as compared to the last year and the obvious reasons were the geopolitical tensions and inflationary pressures aided by 15% export duty imposed by government. Where the imports have increased by 27.4% to 4.4 million tonnes in 9M FY23 from 3.5 million tonnes over the same period in FY22. As per CareEdge Research,the growth in low-cost imports from Russia and the decline in global prices are to blame for this.

Trend in Steel Exports and Imports
(In Million)



Source: CMIE, CareEdge Research Note:
9M period refers to April to December

The Government has introduced several initiatives for the growth of steel sector. The Cabinet has approved the PLI Scheme for domestic manufacture of speciality steel at an outlay of INR 6322 Crore. The government has launched BIS certification programmes for supply of high-quality exports but because of the sustained emphasis on infrastructure development and the uptick in real estate and construction activity during an overall economic recovery, the domestic steel demand growth will be solid at 10-12% in FY23.

High performance alloys:

Rapid industrialisation and the emergence of Industry 4.0 are driving the requirement for high-performance alloys in machines to operate efficiently in corrosive and high-temperature environments. The expanding aerospace sector requires lightweight, high-strength alloys such as Aluminium, Titanium and Magnesium for the efficient performance of turbine blades operating at high temperatures. Greater demand for lightweight automobiles due to improved living standards is contributing to the increased use of advanced high-performance alloys in vehicles for weight reduction.

In the United States, the market for high-performance alloys is anticipated to reach USD 2 billion in 2022. China, the second-largest economy in the world, is predicted to have a market for high-performance alloys worth USD 2.2 billion by 2030, growing at a 6.3% CAGR from 2022 to 2030. Japan and Canada are two notable geographic markets, with growth rates of 3.8% and 4.1%, respectively, expected between 2022 and 2030. Germany is anticipated to expand at a CAGR of roughly 4.4% within Europe.[5] According to recent trends, the global high-performance alloys market is expected to grow from USD 8 billion in 2022 to USD 11.8 billion by 2030, at a CAGR of 5% during the forecast period.

High-performance alloys, commonly referred to as super-alloys, are metallic materials which offer enhanced properties, such as increased mechanical strength, improved corrosion and oxidation resistance, along with high thermal creep resistance. These properties enable them to withstand use in demanding applications in the aerospace and marine industries.

High-performance alloys are also required in various components of power generation equipment, including gas turbines, steam turbines and boilers. The increasing demand for clean energy and the growing focus on energy efficiency are expected to drive

[5] https://www.globenewswire.com/en/news-release/2023/03/15/2627777/28124/en/High-Performance-Alloys-Global-Market-to-Reach-11-8-Billion-by-2030-Expanding-Industrial-Applications-for-Titanium-Based-Alloys-to-Continue-Post-Pandemic.html

the demand for high-performance alloys in the energy industry. In addition to this, high-performance alloys are used in the medical industry in various medical devices and implants. These alloys exhibit excellent biocompatibility, corrosion resistance and strength, making them ideal for use in medical applications. The increasing demand for minimally invasive surgical procedures and the increasing incidences of chronic diseases are expected to drive the demand for high-performance alloys in the medical industry.

Defence manufacturing

In several nations, including India, increased government expenditure in the defence sector will encourage industry growth. The rise reflects the Government's commitment to sustainable progress in the fields of infrastructure development and modernisation of the defence services. Under the 'Make in India' programme, numerous policy initiatives have been implemented in recent years that have reduced the import of defence equipment by promoting indigenous design, development and manufacturing.

According to key market trends, the global defence manufacturing market is expected to grow from USD 523.9 billion in 2020 to USD 713.1 billion by 2025, at a CAGR of 6.4% during the forecast period.

The increasing demand for defence products is driven by the need to modernise and upgrade military equipment and capabilities, along with intensifying geopolitical tensions and security threats. The United States is the largest market for defence products, with an estimated annual expenditure of over USD 700 billion. Other significant markets include China, India, Russia and Saudi Arabia. India is the third-largest military spender in the world, with defence spending at 2.15% of the overall GDP. The Indian government has set aside USD 130 billion over the next five to seven years for fleet modernisation across the military forces. The Union Budget for FY 2023–24 allocates INR 5.94 lakh crore to the sector, marking an increase of 13% from the previous year.[6]

By 2025, the Ministry of Defence targets a revenue of INR 1.75 lakh crore from aerospace and defence manufacturing, including INR 35,000 crore in exports. Up until April 2023, 369 companies working in the defence sector received a total of 606 industrial licences.[7]

The Government of India has established two Defence Industrial Corridors in Uttar Pradesh and Tamil Nadu. The two defence corridors in Uttar Pradesh and Tamil Nadu have together signed 158 Memorandum of Understanding (MoUs) with industries representing investments worth USD 2.9 billion. To enable innovation within the defence and aerospace sector, there are supportive government schemes such as iDEX (Innovations for Defence Excellence) and DTIS (Defence Testing Infrastructure Scheme).[8]

Indian Aerospace Industry

By 2030, the Aerospace and Defence (A&D) market in India is predicted to be worth about USD 70 billion as a result of favorable government schemes and enhanced infrastructure. In India, the number of airline passengers has grown at a rate of about 15% annually over the last five years, going from about 70 million to 200 million passengers for both domestic and international flights. Additionally, it is estimated that around 100 million Indians travelled internationally by air last year, indicating a high demand for airline services and seats.[9]

In comparison to developed Western countries, the Indian aerospace industry is now relatively small (USD 250 million) in terms of component manufacturing. However, it is positioned for a rapid phase of expansion over the following ten years owing to strong tailwinds.[10] These tailwinds include large acquisitions of defence aircraft, a formidable workforce of engineers and government schemes such as Make in India, the maiden National Civil Aviation Policy, policies driving infrastructure development and the increased ease of doing business.

In summary, the Indian aerospace industry is expected to continue its growth trajectory in the coming years, driven by the government's focus on developing the defence and aviation sectors and increasing private sector participation and investments in R&D. The industry's focus on indigenous capabilities and the adoption of new technologies is expected to further enhance the competitiveness of Indian aerospace companies in the global market.

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[6] https://www.investindia.gov.in/sector/defence-manufacturing

[7] https://www.investindia.gov.in/sector/defence-manufacturing

[8] https://www.investindia.gov.in/sector/defence-manufacturing

[9] https://www.mmindia.co.in/article/93/indian-aerospace-industry-on-a-high-growth-trajectory

[10] https://www.mmindia.co.in/article/93/indian-aerospace-industry-on-a-high-growth-trajectory

Energy sector

Power transmission is critical to India's electricity infrastructure and has increased substantially in recent years. According to the Central Electricity Authority (CEA), India's installed transmission capacity has gone up from 483,390 MW in March 2015 to 416058 MW in March 2023, with 17,2010 MW coming from renewable energy sources. The surge in the nation's power generation capacity and the government's emphasis on enhancing the nation's power infrastructure have been the primary growth enablers of the increased transmission capacity.[11] 5000 compressed biogas (CBG) units are likely to be installed as part of the Sustainable Alternative towards Affordable Transportation (SATAT) Scheme. By 2040, India's oil consumption will increase by around 4 million barrels per day, the largest recorded in any country.[12]

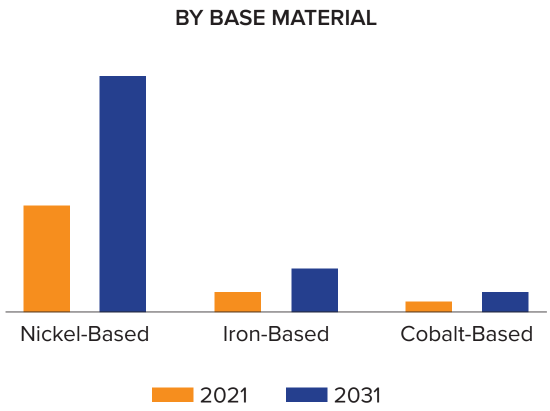
The Green Energy Corridor project is one of the main steps the Indian government has taken to boost power transmission. With this project, the nation's transmission network will be strengthened, making it easier to transport renewable energy from outlying power plants. This project will modernise the nation's transmission network, making it easier to transmit renewable energy from remote power facilities. This plan supplements the GEC-Phase-I programme, which is already being implemented in the states of Andhra Pradesh, Gujarat, Himachal Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan and Tamil Nadu for grid integration and power evacuation of approximately 24 GW of renewable energy and is projected to be completed by 2022. To achieve the target of 450 GW of installed RE capacity by FY 2030, the gearbox systems will be developed from FY 2021-22 to FY 2025-26.[13]

A considerable amount of private sector involvement has also been observed recently in the Indian power transmission industry. Through the tariff-based competitive bidding process, private companies are investing in the development of transmission infrastructure, which has led to intense competition and higher efficiency in the industry. The CEA estimates that private sector involvement in the gearbox industry will rise from 16% in March 2015 to 50% in March 2023.[14]

Super alloys

Super alloys are high-performance materials that are designed to operate in extremely high temperature, pressure and stress environments. They are used in several industries, including aerospace, power generation and oil and gas. The global super alloy market was valued at USD 6.8 billion in 2021 and is projected to reach USD 15.1 billion by 2031. It is expected to grow at a CAGR of 8.5% from 2022 to 2031.[15]

SUPERALLOYS MARKET



Nickel-based are projected as the most lucrative segment

The aerospace industry is the largest consumer of super alloys. The aerospace industry's demand for super alloys is being fuelled by the increasing use of lightweight materials as well as the necessity for high-performance engines and turbines. Super alloys are also extensively utilised in the power generation industry, particularly in gas turbines used for power generation. The requirement for higher efficiency and lower emissions drives the demand for super alloys in this industry. Another major consumer of super alloys is the oil and gas industry, especially for drilling and exploration equipment. The increasing complexity of oil and gas exploration, as well as the requirement for materials that can endure the extreme environments inherent in offshore drilling, are contributing to the demand for super alloys in this industry. The global super alloys market is poised to experience significant growth in the coming years. This growth can be attributed to the increasing demand from the aerospace, power

[11] https://cea.nic.in/wp-content/uploads/installed/2023/03/IC_March_2023.pdf

[12] https://pib.gov.in/PressReleasePage.aspx?PRID=1881749

[13] https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1788011

[14] https://cea.nic.in/wp-content/uploads/installed/2023/03/IC_March_2023.pdf

[15] https://www.alliedmarketresearch.com/superalloys-market

generation and oil and gas industries. The unique properties of super alloys make them ideal for use in extreme environments, and they are expected to play an essential role in the development of new technologies in these industries.

Titanium

Titanium is a high-strength, low-density metal that is corrosion-resistant and has excellent heat resistance, making it ideal for use in a wide range of applications. The global Titanium market was valued at USD 28 billion in 2023 and is predicted to grow at a CAGR of 6.5% to reach a market valuation of USD 52.5 billion by the end of 2033.[16] The titanium industry in India has seen significant growth in recent years. India is one of the world's largest producers of titanium minerals, with the majority of the production coming from Odisha. The country also has significant reserves of titanium, estimated at around 360 million tonnes, according to a report by the Geological Survey of India.

The Indian titanium industry is primarily focused on the aerospace and defence sectors, with titanium alloys being used in aircraft and missile components. The industry is also expanding into other sectors, such as medical devices, automotive and sports equipment. The Indian titanium industry has substantial potential for growth in the coming years. The country's significant reserves of titanium minerals, along with enhanced government impetus and favourable policies, make it an attractive destination for investment in the industry.

Speciality alloys

Specialty alloys are advanced materials that are designed to perform under extreme conditions. They find application in diverse industries, including aerospace, defence, automotive, medical and oil and gas. The global speciality alloys market was worth USD 7.24 billion in 2022 and is projected to reach USD 12.26 billion by 2028, growing at a CAGR of 9.3% from 2021 to 2028.[17] Speciality alloys are a combination of two or more metals, including Nickel, Titanium, Aluminium, Copper and others. They exhibit unique properties such as high-temperature strength, corrosion resistance and high wear resistance, making them ideal for use in extreme environments.

The aerospace and defence industry is also a significant consumer of speciality alloys, particularly for armour and ballistic protection. The demand for speciality alloys in this sector is driven by the need for materials that can withstand high-velocity impacts and explosions.

In the coming years, the global speciality alloys market is expected to experience significant growth, driven by increasing demand from the aerospace, defence, medical and oil and gas industries. Speciality alloys are expected to play an essential role in the development of new technologies in these industries.

Major strategies and initiatives implemented

Strategies	Plans	Initiatives
Focus on key strategic customers	• Focus on retaining current strategic clients in Aerospace and Defence (A&D) sector, in face of emerging competition.	The sales to Defence Sectors increased from 22 % in FY 22 to 40% in FY 23.
Modernization and Capacity Augmentation	• Maximizing installed capacities, widening, and diversifying into other sectors. • Based on core capabilities strengthen domestic market share along with increased revenues.	Several modernization initiatives such as 10 Ton Vacuum Arc Remelting Furnace (New Titanium Shop), 30T Bogie Hearth Furnace and 20T Fixed Hearth Furnace. These initiaives are expected to enhance efficiency and capacity building.

[16] https://www.factmr.com/report/titanium-market

[17] https://www.globenewswire.com/en/news-release/2022/12/16/2575264/28124/en/Global-Advanced-Materials-Specialty-Alloys-Market-Factbook-2022.html

SWOT analysis:

Strengths

Technical expertise: Core competence and integrated manufacturing facility to develop, manufacture, Strategic metals & alloys, custom-made alloys. The Company has a team of highly skilled engineers who have employed innovative technologies and created best-in-class products.

Diverse range of Products: Capability to produce a range of semi-finished and finished products like forged rings, near net-shapes and Titanium tubes.

Strategic Customer Base: MIDHANI's capability to cater to Defence, Space, Aerospace and Energy Sector provides an edge over the other market players and reduces dependence on a single product sector.

Strong financial position: MIDHANI has a strong financial position in terms of EBITDA margins which enables Company to invest in research and development while expanding its operations.

Weaknesses

Reliance on Defence and Space Sector: Defence and Space sector constitutes 65-70% of total revenue of MIDHANI which makes it vulnerable to shift in Government Policies.

Raw material supply chain constraints: MIDHANI is dependent on key critical minerals which are imported and are also instrumental in manufacturing process. Strained geo-political conditions pose a challenge before MIDHANI.

Lack of end product infrastructure: The Company lacks infrastructure for developing finished products which leads to low value addition.

Opportunities

Growth in the defence and aerospace sector: The defence and aerospace sector is witnessing significant growth and there is a greater demand for high-value products and services. Defence Acquisition Policy (DAP) 2020 emphasises on >50% indigenous content for a majority of the procurement categories and MIDHANI can capitalise on this opportunity.

Global expansion: MIDHANI can widen its global footprint and tap into new markets. This can be achieved through partnerships, joint ventures and acquisitions.

Diversify Sectors: Demand in associated sectors including aerospace manufacturing, space, electric vehicles, and railways to be tapped to obtain economies of scale

Threats

Intense competition: The Company faces intense competition from domestic and international players in the fields of Special Steels, Super-alloys and Titanium alloys. This puts pressure on the Company to continuously innovate and enhance its products and services.

Economic slowdown: Economic slowdowns can impact the demand for the Company's products and services, leading to reduced revenue and profitability.

Changes in government policies: Changes in government policies, such as changing import/export regulations, can impact Company's operations and revenue.

Mitigation of Supply chain risk: Procurement/supply chain risks are not evenly distributed amongst the suppliers for almost half of the raw materials procured

Review of operations:

MIDHANI manufacturers – high value special steels like Ultra High Strength Steel, Armor Grade Plates, Martensitic Steel, Austenitic Steel and Precipitation Hardening Steel, Super Alloys (nickel base, iron base and cobalt base) and varieties of Titanium alloys.

MIDHANI has emerged as a 'National Centre for Excellence' in advanced metallurgical production for supplying critical alloys and products of national security and strategic importance.

During FY 2022-23, MIDHANI developed C276 plates – a premier corrosion resistance materials for process industries, these were indigenously developed and resulted into import substitution. MIDHANI also developed Hastelloy X, which is typically used in Industrial Furnace applications and also widely used in many aircraft parts.

MIDHANI has developed high performance material for construction of AUSC (Advanced Ultra Super Critical) plant which is a step toward catering requirement of high efficiency and high-performance thermal plant which will help in reduction of Green House Gas.

MIDHANI has also inaugurated 6000T Isothermal Facility in the month of June 2023, which is highest capacity Isothermal Forge Press under Ministry of Defence, India.

MIDHANI's manufacturing locations

Hyderabad- MIDHANI is headquartered in Hyderabad, Telangana. It has a manufacturing units in Hyderabad that produce various products such as High Value Speciality Steel, Super Alloys (Nickel, Iron and Cobalt base) and Titanium alloys.

Rohtak: MIDHANI has a armor manufacturing unit in Rohtak, Haryana, that manufactures Armor products such as 'MIDHANI kavach' – a lightweight bullet resistant jackets manufactured using the ultra-molecular weight polyethylene fabric layers, Bullet Proof Vests, Vehicle Armouring, Helicopter Armouring and also supplies Armour Steel Products.

Manufacturing facilities

The primary and secondary melting furnaces at MIDHANI comprise Electric Arc Furnaces with Ladle Refining Furnaces, Vacuum Furnaces and more. Vacuum Induction Melting Furnace, Vacuum Induction Refining Furnace, Vacuum Arc Re-Melting Furnace, Electro Slag Re-Melting Furnace and Electron Beam Melting Furnace are all examples of degassing/vacuum oxygen decarburisation processes. Depending on the output, form and sizes required, subsequent processes are performed at 6000T/1500T Forge Presses, Ring Rolling Mill, Hot Rolling and Cold Rolling Mills, Bar and Wire Drawing Mills, and so on. The Company's production procedures also include auxiliary supporting services, including conditioning, heat treatment, machining, pickling and quality control.

Product portfolio

The Company offers a wide range of products, which includes:

- Special Alloys (Ferritic, Austenitic, Martensitic, Maraging, Armour Steel).
- Super Alloys (Iron, Cobalt or Nickel-based).
- Titanium Alloys in the form of melted, forged, rolled and drawn products.
- Special Steels and Titanium Alloy Grades constitute a substantial portion of production tonnage.

Essential raw materials:

Titanium: MIDHANI produces Titanium alloys, which are widely used in aerospace and defence applications due to their high strength-to-weight ratio, corrosion resistance and ability to withstand high temperatures.

Nickel: Nickel finds wide application in the production of various alloys, including Inconel and Monel, which are used in high-temperature applications such as gas turbines, nuclear reactors and chemical processing plants.

Cobalt: Cobalt is used in the production of several alloys, including Stellite, which is used to manufacture cutting tools, valves and aerospace components.

Tungsten: Tungsten is also used to produce multiple alloys, including high-speed steels, which are used in cutting tools, dyes and moulds.

Zirconium: Zirconium is used in the production of nuclear reactor components, including fuel cladding and structural materials, due to its high corrosion resistance and low neutron absorption.

Aluminium: Aluminium is employed for creating a wide range of alloys, including high-strength aluminium alloys used in aerospace and defence applications.

Copper: Copper is used in the production of various alloys, including brass and bronze, which are used in electrical components, marine applications and musical instruments.

Research and development

In FY23, the Company continued to implement R&D initiatives targeted at diversifying its product portfolio and strengthening its core competitiveness. The Company made prudent investments in R&D activities, including the development of new alloys and processes, while also improving its existing products. The R&D team at the Company collaborated with premium research institutions and universities to leverage new technologies and the expertise of leading scientists and researchers. This helped the Company develop cutting-edge products that gave it a competitive edge.

In the years ahead, the Company remains committed to investing in R&D initiatives to stay ahead of the curve and deliver sustainable value to its stakeholders. The Company recognises the importance of innovation in driving growth and is committed to building a strong R&D ecosystem that can help it achieve its long-term strategic objectives. By investing in R&D, the Company aims to cater to the evolving needs of its customers and sustain its leadership position in the specialised metals and alloys manufacturing industry.

The Summarized financial position for the Financial Year 2022-23 and for the two preceding Financial Years is given below:

(Figures in ₹ Lakh)

Particulars	31-Mar-23	31-Mar-22	31-Mar-21
ASSETS:			
Non-current assets			
Property, Plant and Equipment	1,01,087.21	93,748.33	42,785.85
Capital work-in-progress	7,964.40	13,186.56	54,874.46
Intangible assets	463.00	100.42	105.72
Financial Assets			
(i) Investments	2,210.11	2,210.11	2,210.11
(ii) Loans	-	1.59	35.60
Non-current tax assets (Net)	52.88	555.93	553.82
Other non-current assets	228.77	434.03	396.93
Total Non-Current Assets (1)	**1,12,006.37**	**1,10,236.97**	**1,00,962.49**
Current assets:			
Inventories	1,22,484.37	1,09,149.16	80,083.79
Financial Assets			
(i) Trade receivables	31,579.89	30,630.83	38,613.55
(ii) Cash and cash equivalents	1,441.54	6,258.15	9,394.67
(iii) Other financial assets	922.40	1,171.02	855.22
Other current assets	17,925.95	20,620.01	16,161.97
Total Current Assets (2)	**1,74,354.15**	**1,67,829.17**	**1,45,109.20**
Total Assets (1+2)	**2,86,360.52**	**2,78,066.14**	**2,46,071.69**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	18,734.00	18,734.00	18,734.00
Other Equity	1,09,885.42	1,00,337.94	88,529.11
Total Equity (1)	**1,28,619.42**	**1,19,071.94**	**1,07,263.11**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	6,735.67	2,775.88	-
(ia) Lease Liabilities	8,132.68	7,975.07	7,139.86
(ii) Other Financial Liabilities	94.53	84.54	-
Provisions	184.60	162.81	136.67
Deferred tax liabilities (net)	3,957.46	3,517.17	3,377.37

(Figures in ₹ Lakh)

Particulars	31-Mar-23	31-Mar-22	31-Mar-21
Other non-current liabilities	58,545.29	64,264.72	63,893.42
Total Non-current liabilities (2)	**77,650.23**	**78,780.19**	**74,547.32**
Current Liabilities			
Financial liabilities			
(i) Borrowings	31,999.63	23,981.88	16,043.55
(ia) Lease Liabilities	1,997.12	1,247.08	894.62
(ii) Trade payables			
(A) Micro Enterprises and Small Enterprises	429.96	379.03	546.48
(B) Other than Micro Enterprises and Small Enterprises	15,499.37	17,209.13	8,010.23
(iii) Other financial liabilities	10,840.32	10,947.17	7,398.01
Other current liabilities	16,290.18	23,187.18	26,928.32
Provisions	3,034.29	3,262.54	4,440.05
Total Current Liabilities (3)	**80,090.87**	**80,214.01**	**64,261.26**
Total Equity and Liabilities (1+2+3)	**2,86,360.52**	**2,78,066.14**	**2,46,071.69**
Working Capital	94,263.28	87,615.16	80,847.94
Capital Employed	1,35,355.09	1,21,847.82	1,07,263.11
Net Worth	1,28,619.42	1,19,071.94	1,07,263.11
Net worth per rupee of paid-up capital (₹)	6.87	6.36	5.73

MOU 2022-23 PERFORMANCE AND WORKING RESULTS:

For FY 2022-23, MIDHANI's MoU performance is expected to qualify for an overall "Very Good" rating. The rating is subject to evaluation and confirmation by Department of Public Enterprises.

The performance of your company against various parameters was as under:

S. No.	Name of the Parameter	Unit	Target	Actual
1	Value of Production	₹ In Cr	1205	1100.27
2	CAPEX	₹ In Cr	100	75.81
3	Export/Income From overseas	₹ In Cr	100	37.45
4	Reduction in total imports as % of Revenue from operations over previous year	%	13.49	-5.82
5	EBITDA as % of revenue	%	33	32.46
6	Return on Networth	%	17.83	12.60
7	Asset Turnover Ratio	%	44.12	31.77
8	Acceptance/ Rejection of goods & Services through TReDS portal	%	100	100
9	Procurement from GeM as % of total procurement	%	25	29.84
10	Trade Receivables as number of days of Revenue from Operations	No. of Days	90	132
11	Expenditure on R&D Innovations initiatives as % of PBT	%	7.24	9.36

The Total Return to Shareholders (TRS) during FY 2022-23 stood at 13.43%.

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

The significant highlights of the performance for financial year 2022-23 and comparison with the previous two financial years is as under:

(Figures in ₹ Lakh)

S. No.	Particulars	FY 2022-23	FY 2021-22	FY 2020-21
1	Sales - To Customers	87,194.14	85,949.02	81,323.08
	Sales – Export	3,744.53	8,702.16	1,942.47
2	Value of Production	1,10,026.63	1,01,358.59	82,939.16
3	Cash Profit	26,955.37	27,211.51	25,308.92
4	Profit Before Tax (Excl. OCI)	21,654.92	23,911.98	22,609.39
5	Net Profit (PAT) (Excl. OCI)	15,587.61	17,630.77	16,629.15
6	Value Added	70,908.96	66,868.27	60,157.17
7	Value added per employee	94.42	86.84	79.05
8	Productivity per employee	146.51	131.63	108.99
9	Value added per direct worker	184.18	180.24	195.32
10	Paid up Capital	18,734.00	18,734.00	18,734.00
11	No. of Employees	751	770	761

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:

(Figures in % unless specified)

S. No.	Particulars	FY 2022-23	FY 2021-22	FY 2020-21
A.	**Current Ratio**	2.18	2.09	2.26
B	**Profitability Ratios**			
a)	Profit Before Tax to :			
	i) Capital Employed (%)	16.00	19.62	21.08
	ii) Net worth (%)	16.84	20.08	21.08
	iii) Sales (%)	24.84	27.82	27.80
b)	Profit After Tax to Equity (%)	83.20	94.11	88.76
c)	Earnings Per Share (in Rupees)	8.32	9.41	8.88

The other key Financial Ratios are as under:

S. No.	Particulars	FY 2022-23	FY 2021-22	Change in % as compared to FY 2021-22	Detailed explanation for change of 25% or more
1.	Debtors Turnover	2.80	2.48	12.90%	-
2.	Inventory Turnover	0.57	0.66	-13.64%	-
3.	Interest Coverage	11.48	13.66	-15.96%	-
4.	Current Ratio	2.18	2.09	4.31%	-
5.	Debt Equity Ratio	0.30	0.22	36.36%	Due to availing CAPEX loan and increase in working capital requirement.
6.	Operating Profit Margin (%)	20.50	24.18	-15.22%	-
7.	Net Profit Margin (%)	17.88	20.51	-12.82%	-
8.	Return on Networth (%)	12.59	15.58	-19.19%	-

Amount available for Appropriation:

The amount available for appropriation is ₹ 15,587.61 Lakh as against ₹ 17,630.77 Lakh in the previous year.

Risks and concerns:

Risk type	Risk definition	Risk probability	Risk impact	Risk mitigation
Market risks	The Government and the parent company or its subsidiaries, form a larger portion of MIDHANI's customer base. The current or projected strategic programmes may be impacted by changes in government priorities.	M/L	H	To mitigate market risks, MIDHANI can diversify its product portfolio, enter new markets and hedge against commodity price fluctuations.
Operational risk	Operational risks arises from inadequate or failed internal processes, systems, human errors or external events.	H	H	To address operational risks, the Company implements robust quality control measures, invests in technology and automation and establishes contingency plans to manage unexpected events.
Financial risk	Financial risks occur due to unfavourable financial conditions pertaining to liquidity, credit, interest rates and foreign exchange risks.	M/H	H	To mitigate financial risks, the Company maintains a healthy balance sheet, diversifies its funding sources.
Environmental risk	Environmental risks involve the risks arising from pollution, climate change and natural disasters.	L/M	H	To mitigate environmental risks, MIDHANI adopts sustainable practices, complies with environmental regulations and implements emergency response plans.
Reputational risk	Reputational risks could damage the Company's stature due to unethical behaviour, product recalls or negative publicity.	L/M	H	To mitigate reputational risks, the Company has a robust code of ethics. It also conducts regular training on compliance and ethical behaviour.

H: High; M: Medium; and L: Low

Human resources

As of March 31, 2023, MIDHANI has 751 permanent employees, including 29 newly hired personnel (12 executives and 17 non-executives' cadre) with an average age of 39 years. Strengthened by its present talent pool, the business is well-positioned to handle challenging projects and meet the highest quality standards that satisfy customer needs. The primary focus is on improving operational efficiency to enable seamless interdepartmental communications and collaboration.

The Company has successfully spent 2855 man days in training during the year under review as reported by its Training and Development department.

A three-day training programme, 'DARPAN,' for NUS cadre was conducted with 32 participants from various cross-functional departments. It was a mission to re-fire, explore, excel, enhance and enlight. Training was given on account of happiness management, health management, spiritual management, emotional management and work-life-balance.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

MIDHANI has established a framework for internal controls, commensurate with the size and nature of its operations. The internal control system is supplemented by an extensive program of internal audits and their reviews by the management. The in-house internal audit function supported by professional external audit firms conduct comprehensive risk focused audits and evaluate the effectiveness of the internal control structure and functions on a regular basis.

The Company has laid down internal financial controls as detailed in the Companies Act, 2013. These have been established across the levels and are designed to ensure compliance to internal control requirements, regulatory compliance and appropriate recording of financial and operational information.

External Audit firm Eswar & Co. were engaged to carry out Internal Audit during the year under report, which ensure adequacy of systems and controls. Their reports thereon were further reviewed by the Audit Committee. In addition, the In-house Internal Audit team also regularly carries out audits of specific processes. Internal Audit Reports along with corrective actions initiated are discussed with the Management and were reviewed by the Audit Committee. The Audit Committee also reviews the adequacy and effectiveness of internal controls.

Annexure - I

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 31.3.2023

PAY SCALE & GROUP	Total No. Of Employees	SCs	STs	OBC	Differently abled	Ex-Ser. men
EXECUTIVES **Group – A** ₹ 40000-140000 & above	245	43	13	65	06	04
Group – B ₹ 30000 - 120000(Grade-I) ₹ 29000 – 115000 (E.O.) to ₹ 50000 – 160000(E0-III) (Jr. Mgr & Non-Unionized Supervisory Cadre)	28	0	04	17	0	01
NON-EXECUTIVES: **Group – C** ₹ 28950/- ₹ 28790/- ₹ 27810/- ₹ 26830/- ₹ 25900/- ₹ 25230/- ₹ 23750/- ₹ 22950/- ₹ 21900/-	365	70	39	154	05	16
Group – D ₹ 21000/- ₹ 20000/- ₹ 19130/- ₹ 18000/-	113	17	07	56	04	01

Note: Excluding Directors

Recruitment of SCs, STs during FY 2022-23

PAY SCALE & GROUP	Total recruited during the year	No. of posts reserved		No. of candidates appointed	
		SC	ST	SC	ST
EXECUTIVES **Group – A** ₹ 40000-140000 & above	12	-	-	01*	-
Group – B ₹ 30000 - 120000(Grade-I) ₹ 29000 – 115000 (E.0.) to ₹ 50000 – 160000(E0-III) (Non-Unionized Supervisory Cadre)	-	-	-	-	-
NON-EXECUTIVES: **Group – C** ₹ 28950/- ₹ 28790/- ₹ 27810/- ₹ 26830/- ₹ 25900/- ₹ 25230/- ₹ 23750/- ₹ 22950/- ₹ 21900/-	11	01	01	01	01
Group – D ₹ 21000/- ₹ 20000/- ₹ 19130/- ₹ 18000/-	06	01	0	01	0

* SC candidate appointed against unreserved category.

Annexure- III

Annual Report on CSR Activities for FY 2022-23:

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) Other areas covered as specified in Schedule VII of Companies Act, 2013.
2.	Composition of CSR Committee:	

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	2	2
2.	Shri Gowri Sankara Rao Naramsetti	Member	2	2
3.	Shri Valluri Chakrapani	Member	2	2
4.	Shri T. Muthukumar	Member	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:	₹ 22,170.53 Lakh
	b)	Two percent of average net profit of the company as per sub-section(5) of section 135:	₹ 443.41 Lakh
	c)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years:	₹ 0.00 Lakh
	d)	Amount required to be setoff for the financial year, if any.	₹ 29.08 Lakh
	e)	Total CSR obligation for the financial year [(b)+(c)-(d)]:	₹ 414.33 Lakh
6.	a)	Amount spent on CSR projects (both ongoing projects & other than ongoing project)	3,80,86,235 (in ₹)
	b)	Amount spent in Administrative Overheads	12,55,480 (in ₹)
	c)	Amount spent on Impact Assessment, if applicable	Nil
	d)	Total amount spent for the financial year [(a)+(b)+(c)]	3,93,41,715 (in ₹)

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
3,93,41,715	₹ 22,00,000	21.04.2023	Not applicable	Not applicable	Not applicable

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	443.41 Lakh
(ii)	Total amount spent for the Financial Year	393.42 Lakh
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	Not Applicable
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Not Applicable

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

1	2	3	4	5	6		7	8
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 (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.	2021-22	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
2.	2020-21	41,11,000	Nil	41,11,000	Not Applicable	Not Applicable	Not Applicable	Not Applicable
3.	2019-20	Not Applicable	Not Applicable	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.: Unspent amount of ₹ 22,00,000 pertains to an ongoing project, which will be spent during FY 2023-24.

Sd/-
Dr. Sanjay Kumar Jha
DIN: 07533036
(Chairman CSR Committee)

Sd/-
Shri Gowri Sankara Rao Naramsetti
DIN: 08925899
(Member CSR Committee)

Date : August 8, 2023
Place : Hyderabad

Annexure-IV

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

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:
  - MIDHANI procured dynamic reactive power compensation panels and transformers to improve the power factor at the MRSS (Material and Reheating Sub-Station) for the 20T Arc furnace. This implementation is projected to result in significant electricity bill savings of approximately ₹ 10 Lakh per month.
  - The overall power factor has been enhanced from 0.92 to 0.96 through the deployment of DPFC (Dynamic Power Factor Correction) panels and transformers, with an approximate value of ₹ 300 Lakh. These initiatives underline our commitment to optimizing energy consumption and reducing costs.
  - MIDHANI has established a state-of-the-art solar power plant and entered into open access agreements with TSSPDCL (Telangana State Southern Power Distribution Company Limited) and TSTRANSCO (Telangana State Transmission Corporation Limited) to utilize the generated energy from the 4 MW solar power plant. This year, the solar power plants have successfully generated solar energy valued at ₹ 258 Lakh.

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 2022-23 Solar power plants have generated solar energy valued at ₹ 258 Lakh.

iii. Capital investment on energy conservation equipment's: Made an investment of Approx. ₹ 300 Lakh towards procurement of energy conservation equipment (Dynamic reactive compensation panel, transformer etc.) during FY2022-23.

B. TECHNOLOGY ABSORPTION:

(i) The efforts made towards technology absorption:

- Development of various alloys (6 grades of alloy steels and Super Alloys) with collaboration of premier research facilities.
- Under Transfer of Technology (ToT) MIDHANI has successfully developed wires and electrodes of three low alloy steels, two stainless steels and three types of fluxes.

(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 ₹ 2,026.78 Lakh has been incurred towards R&D Expenditure.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- During the year, the total foreign exchange earning was ₹ 2,064.70 Lakh and outgo was ₹ 11,572.78 Lakh

Annexure – V

Business Responsibility and Sustainability Report - FY 2022-23

Section A: General Disclosure:

I. Details of 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 2022-23
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	Standalone basis

II. Products/Services

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

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

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

Sl. No.	Product/Service	NIC Code (5 digit)	% of total turnover contributed
1.	Manufacturing of Special Metals and Alloys	24103 24209 24204 24105	49 23 12 10

III. Operations

16. 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 Haryana)	5
International	0	0	0

17. A) Market served by the entity:

Location	
National (No. of states & UT)	Twenty-Two (22) States of India
International (No. of countries)	Four (4) countries

B) What is the contribution of exports as a percentage of the total turnover of the entity?
4.29%

C) A brief on type of customers:

Our Company operates in strategic sectors such as defence, power and space and is also 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:

18. A) Details of Employees and workers as at end of financial year

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No.(C)	% (C/A)
Employees (including differently abled)						
1.	Permanent (D)#	273	241	88.28	32	11.72
2.	Other than permanent (E)@	2	2	100	0	0
3.	**Total employees (D+E)**	**275**	**243**	**88.36**	**32**	**11.64**
Workers (including differently abled)						
4.	Permanent (F)$	478	434	90.79	44	9.21
5.	Other than permanent (G)%	91	89	97.80	2	2.20
6.	**Total Workers (F+G)**	**569**	**523**	**91.92**	**46**	**8.08**

Permanent Employees means Executive and Non-Unionized Supervisors (NUS).
@ Fixed Term Contract (FTC) appointed as Executive.
$ Permanent Workers means Non-Executive
% FTC appointed as Non-Executive.

B) Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No.(C)	% (C/A)
Employees						
1.	Permanent (D)#	6	6	100%	0	0
2.	Other than permanent (E)@	0	0	0	0	0
3.	**Total employees (D+E)**	**6**	**6**	**100%**	**0**	**0**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No.(C)	% (C/A)
Workers						
4.	Permanent (F)$	9	9	100%	0	0
5.	Other than permanent (G)%	0	0	0	0	0
6.	**Total Workers (F+G)**	**9**	**9**	**100%**	**0**	**0**

#Permanent Employees means Executive and NUS.
@ FTC appointed as Executive.
$Permanent Workers means Non-Executive
% FTC appointed as Non-Executive

19. Participation/Inclusion/Representation of women:

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

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

20. Turnover rate for permanent employees and Workers:

In (%)

Particulars	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees@	10.77	3.17	9.92	8.44	3.38	7.93	14.10	3.50	13.11
Permanent Workers#	4.80	6.81	4.98	3.93	6.45	4.18	4.28	2.04	4.04

@Permanent Employees means Executive and NUS.

#Permanent Workers means Non-Executive.

V. Holding, Subsidiary and Associate Companies (including joint ventures):

21. Names of holding / subsidiary / associate companies / joint ventures:

Sl. No.	Name of the holding / subsidiary / associate companies / joint ventures (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 :

22. i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **Yes, for FY 24.**

ii) Turnover (in ₹) : **871,94,13,723/-** (FY 2022-23)

iii) Net-Worth (in ₹): **1,286,19,47,381.38** (FY 2022-23)

VII. Transparency and Disclosures Compliances:

23. Complaints/ Grievance on any of the Principles (Principle 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)	FY 22-23 Current Financial Year			FY 21-22 Previous Financial Year		
	(If Yes, then provide weblink for grievance redress policy)#	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	11 Centralized Public Grievance Redress and Monitoring System (CPGRMS)	0	None	9 (CPGRMS)	0	None
Investors (other than shareholders)	Yes	0	0	None	0	0	None
Shareholders	Yes	3	0	None	4	0	None
Employees and workers	Yes - MIDHANI has internal mechanism for receiving employees & workers grievance and its redressal.	8	0	None	11	0	None
Customers	Yes	11	6	None	4	0	None
Value Chain Partners (supply chain partners)	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
Others- We do not have any other stakeholder group	Not Applicable (NA)	NA	NA	NA	NA	NA	NA

#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/

24. Overview of the entity's material responsible business conduct issues:

Sl. 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.	Corporate Governance	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 w.r.t. filling up of vacant post of Directors.	Negative
2.	Employee well being	O/R	MIDHANI, is committed to provide safe working environment for its employees, which encourages employees to thrive for best of their capabilities. However, despite all preventive measures, work related accidents may occur which may de-moralise employees/workers.	Sensitise employees through EHS training, to provide better infrastructure.	Positive/ Negative
3.	Social Engagement and Impact	O	Social engagement leads to community building and its impact can galvanize a system response and has multiple beneficial outcomes for communities and businesses.	-	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.	-	Positive, MIDHANI saved ₹ 258 Lakh during FY 23 by using solar energy.

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	P1 Ethics &Transparency	P2 Service responsibility	P3 Human Resources	P4 Responsive to Stakeholders	P5 Human Rights	P6 Restore environment	P7 Public Policy Advocacy	P8 Inclusive growth	P9 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 Codes 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
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.

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements:

In the ever-evolving landscape of sustainability, businesses are witnessing new trends driven by initiatives that translate the philosophy of sustainability into tangible actions, impacting both companies and their stakeholders. The post-pandemic era has seen a global acceleration towards embracing sustainability.

MIDHANI - a renowned manufacturer of Alloys and Special Metals with a five-decade legacy, has consistently exemplified its commitment to sustainability by judiciously utilizing resources. The environmental footprint at MIDHANI is limited due to lack of mass commercial scale production. The primary focus of MIDHANI is catering to the nation's strategic and critical requirements.

One of the MIDHANI's noteworthy accomplishments is its low impact on the environment. The company's processes do not result into greenhouse gas emissions, and its water consumption intensity per rupee of turnover remains negligible.

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)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
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. to 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:

    Yes. External expert agencies conduct audits on different subjects such as ISO 14001, ISO 45001, Cyber Security etc. They do it through checking policy elements, procedures, action plans etc.

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

    Since MIDHANI has Policies for every NGRBC Principle, this question is not applicable.

Section C: Principle Wise Performance Disclosure:

Principle 1: Businesses should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent and accountable.

1. 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	3	Business, strategy, risk and update of laws	40
Key Managerial Personnel	-	-	-
Employees other than BOD and KMPs	29	Quality Circles, Integrity, Ethics, Mid Career Development	40
Workers	15	EHS Training	40

Training and Development Department achieved 2855 man days of training during FY 2022-23.

2. 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:

   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 22-23.

Monetary					
Particulars	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	-	-	Nil		
Settlement	-	-	Nil		
Compounding Fee	-	-	Nil		

Non-Monetary					
Particulars	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (in INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	-	-	Nil		
Punishment	-	-	Nil		

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 22-23	FY 21-22
Directors	None	None
KMPs (WTD,CFO & CS)	None	None
Employees	1	None
Workers	None	None

6. Details of complaints with regards to conflict of interest: **None**

Particulars	FY 22-23		FY 21-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	-	-	-	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	-	-	-	-

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. – **Not applicable**

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators:

1. 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 22-23	FY 21-22	Details of improvement in environmental and social impact
R&D	Nil	Nil	-
Capex	Approx. 363 Lakh (4.79)%	Approx. 43 Lakh (0.34)%	1. Improvement in processes is taken care in line with ISO 14001:2015 (EMS) standard and MIDHANI is certified accordingly. 2. MIDHANI made investments towards installation of Air filter bags at Fume Extraction Systems, Effluent Treatment plant (ETP), Sewage Treatments Plant (STP), Fume extraction Systems, Air Conditioners, LED Lights etc which are helping in conservation of Natural resources and Environment. 3. In MIDHANI, the most of the melting operations are carried out with latest technology of Vacuum Induction furnaces which are helping in reduction of Air Pollution, thus helping in conservation of Environment. 4. Usgae of pure Hydrogen for annealing and Clean LPG in furnances results in zero carbon emissions, thus helping in conservation of Environment. 5. 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. 6. 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.

2. a) Does the entity have procedures in place for sustainable sourcing?

   - No, though such stipulators are not present in procurement procedures as of now, many of our suppliers are already adopting such standards.

   b) If yes, what percentage of inputs were sourced sustainably?

   Not Applicable.

3. 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.

4. 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.

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 employee:

Category	Total (A)	% of employee covered by									
		Health Insurance		Accident Insurance		Maternity Benefits[$]		Paternity Benefits[$]		Day Care facilities[$]	
		No. (B)	% B/A	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent employee[#]		All employees are covered under Medical Scheme of MIDHANI where, the empanelled hospitals are providing medical attention as per CGHS rates which are borne by the company upto 95% of the total expenses incurred by the employee for in-patient treatment.									
Male	241					-	-	13	5.39	-	-
Female	32					3	9.38	-	-	6	18.75
Total	273					3	1.10	13	4.76	6	2.20
Other than permanent employee[@]											
Male	2					0	0	0	0	0	0
Female	0					0	0	0	0	0	0
Total											

[#]Permanent Employees means Executive and NUS.

[@]Other than permanent employees means FTC appointed as Executive.

[$]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	Total (A)	% of workers covered by									
		Health Insurance		Accident Insurance		Maternity Benefits[$]		Paternity Benefits[$]		Day Care facilities[$]	
		No. (B)	% B/A	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent workers[#]		All workers are covered under Medical Scheme of MIDHANI where, the empanelled hospitals are providing medical attention as per CGHS rates which are borne by the company upto 95% of the total expenses incurred by worker for in-patient treatment.									
Male	434					-	-	32	7.37	-	-
Female	44					3	6.82	-	-	7	15.91
Total	478					3	0.63	32	6.69	7	1.46
Other than permanent workers[@]											
Male	89					0	0	0	0	0	0
Female	2					0	0	0	0	0	0
Total	91										

[#]Permanent Workers means Non-Executives

[@]Other than permanent workers means FTC appointed as Non- Executive.

[$]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.

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

Benefits	FY 22-23			FY 21-22		
	No. of employees covered as % of total employees	No. of workers covered as % of total workers	Deducted and deposited with the authority (Y/N/N.A)	No. of employees covered as % of total employees	No. of workers covered as % 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

3. Accessibility of workplaces:

   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 22-23 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:

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.

In addition, MIDHANI also has a whistle blower mechanism applicable to all employees of MIDHANI, wherever employed. The vendors and any other stakeholder of MIDHANI can also lodge their complaints by writing to cvo@midhani-india.in

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 22-23			FY 21-22		
	Total employees/ worker in respective category (A)	No. of employees/ Workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ worker 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	241	234	97.10	253	240	94.86
Female	32	27	84.38	31	27	87.10
Total Permanent Workers#						
Male	434	77	17.74	442	Due to intra-union conflicts, exact numbers could not be established.	
Female	44	7	15.91	44		

@Permanent Employees means Executive and NUS.

#Permanent Workers means Non-Executives.

8. Details of training given to employees and workers:

Category	FY 22-23					FY 21-22				
	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)
Employees@										
Male	241	35	14.52	200	82.99	253	15	5.93	200	79.05
Female	32	7	21.88	20	62.50	31	-	-	29	93.55
Workers#										
Male	434	20	4.61	233	53.69	442	58	13.12	59	13.35
Female	44	16	36.36	26	59.09	44	-	-	5	11.36

@ Employees means Executive and NUS.

#Workers means Non-Executives

9. Details of performance and career development reviews of employees:

Category	FY 22-23			FY 21-22		
	Total (A)	No. (B)	% (B/A)	Total (A)	No. (B)	% (B/A)
Employees@						
Male	267	267	100	272	272	100
Female	33	33	100	32	32	100
Permanent Workers#						
Male	429	429	100	432	432	100
Female	43	43	100	41	41	100

@Employees means Executive and NUS.

#Workers means Non-Executives

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 of 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 work related hazards and to remove themselves from such risks.

Yes, the Company has processes for workers to report work related hazards and to remove themselves from such risks.

d) Do the employees/workers of the entity have access to non-occupational medical and healthcare services?

Yes, medical centres and first aid facilities are available for both employees and workers.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 22-23	FY 21-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees@	0	0
	Workers#	0.86	0.35
Total recordable work-related injuries	Employees	0	0
	Workers	3	1
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

@ Employees means Executive and NUS.

#Workers means Non-Executives

12. Describe the measures taken by the entity to ensure a safe and healthy workplace:

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 on 4th March, 2023 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:

Benefits	FY 22-23			FY 21-22		
	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
Others	None	None	None	None	None	None

14. Assessments for the year:

Health and safety practices 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 Health & Safety Inspection Committee (SHSIC) formed with 07 officers from different departments. This committee was chaired by AGM (P-II) and the committee members inspected all departments in entire plant and submitted their reports. They submitted 172 observations related to Safety, Health & Housekeeping, etc. and action has been taken on 98% of observations.

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders:

1. 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, Power and Space) and PSU's make up 63% of order book (As on April 01, 2023), hence are the largest clients for the business.
Employees and Workforce	MIDHANI manufactures high end alloys and critical alloys, and such super alloys has to 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.

2. 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	Frequency of engagement	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 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.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of Communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
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. - 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.

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 22-23			FY 21-22		
	Total (A)	No. of employee/ workers covered (B)	% (B/A)	Total (C)	No. employee/ workers covered (D)	% (D/C)
Employees						
Permanent@	273	102	37.36	284	121	42.61
Other than permanent#	2	0	0	2	0	0
Total employees	275	102	37.09	286	121	42.31
Workers						
Permanent^	478	8	1.67	486	30	6.17
Other than permanent$	91	0	0	73	0	0
Total Workers	569	8	1.41	559	30	5.37

Training on various issues related to human rights are covered under new employee induction, EHS training, code of conduct etc.

#Permanent Employees means Executive and NUS.

@Other than permanent employees means FTC appointed as Executive.

^Permanent Workers mean Non-Executives.

$Other than Permanent Workers means FTC appointed as Non-Executive.

2. Details of minimum wages paid to employees and workers, in the following format:

   All employees and workers are paid more than minimum wages:

Category	FY 22-23					FY 21-22				
	Total (A)	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)
Employees										
Permanent#										
Male	241	-	-	241	100	253	-	-	253	100
Female	32	-	-	32	100	31	-	-	31	100
Other than Permanent@										
Male	2	-	-	2	100	2	-	-	2	100
Female	0	-	-	0	0	0	-	-	0	0
Workers										
Permanent ^										
Male	434	-	-	434	100	442	-	-	442	100
Female	44	-	-	44	100	44	-	-	44	100
Other than Permanent$										
Male	89	-	-	89	100	72	-	-	72	100
Female	2	-	-	2	100	1	-	-	1	100

Wages: As per Section 2(y) of the Code on Wages, 2019.

#Permanent Employees means Executive and NUS.

@Other than permanent employees means FTC appointed as Executive

^Permanent Workers mean Non-Executives

$ Other than Permanent Workers means FTC appointed as Non-Executive

3. Details of remuneration/salary/wages, in the following format:

Category	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (In Rupees)	Number	Median remuneration/ salary/ wages of respective category (In Rupees)
Board of Directors (BoD) (Whole-time Directors)	2	33,06,880	0	0
Key Managerial Personnel	1	10,33,822	0	0
Employees other than BoD and KMP	230	11,14,260	30	10,62,270
Workers	491	4,04,044	42	4,42,415

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.*

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

   The Company operations does 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 and assistance from regulatory authority is sought.

6. Number of Complaints on the following made by employees and workers:

Nature of Compliant	FY 22-23			FY 21-22		
	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 employee child labour.			MIDHANI doesn't employee 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. 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 of retaliation - 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.

8. Do human rights requirements form part of your business agreements and contracts?

   Yes, MIDHANI is committed to safeguard Human Rights and provide safe work space to its employees and workers.

9. Assessments for the year:-

	% 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%
Others – please specify	Not applicable

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above:

    None

Principle 6: **Businesses should respect and make efforts to protect and restore the environment.**

Essential Indicators: -

1. Details of total energy consumption (in Mega Joules) and energy intensity:

Parameter	FY 22-23	FY 21-22
Total electricity consumption (A)	22,33,61,769.60	18,10,15,178.40
Total fuel consumption (B) [LPG & Fuel Oil]	LPG: 5636.24 MT 276176000 Mega Joules Fuel Oil: 183.80 KL 7388324.02 Mega Joules	LPG: 5473.53 MT 268203000 Mega Joules Fuel Oil: 68.95 KL 2771626.45 MegaJoules
Energy consumption through other sources (C)	1,16,89,790.40	1,34,30,541.60
Total energy consumption (A+B+C) [Mega Joules]	51,86,15,884.02	46,54,20,346.50
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.06	0.05
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

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 22-23	FY 21-22
Water withdrawal by source (in kilolitres)		
i. Surface water	0	0
ii. Groundwater	2,02,350	2,39,460
iii. Third party water	1,07,551	1,21,565
iv. Seawater / desalinated water	0	0
v. Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	3,09,901	3,61,025
Total volume of water consumption (in kilolitres)	3,09,901	3,61,025
Water intensity per rupee of turnover (Water consumed / turnover	Negligible	Negligible
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Unit	FY 22-23 (Avg.)	FY 21-22	NAAQS Std. Level
NOx	µg/m3	27.7667	32.325	80
SOx	µg/m3	22.3167	23.0833	80
Particulate matter (PM 10)	µg/m3	89.333	90.0833	100
Persistent organic pollutants (POP)	-	-	-	-
Volatile organic compounds (VOC)	-	-	-	-
Hazardous air pollutants (HAP)	-	-	-	-
Others – (ODS)	-	-	-	-

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity in the following format:

MIDHANI's manufacturing process does not lead to emission of Green House Gases, hence not applicable.

Parameter	Unit	FY 22-23	FY 21-22
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	NA	NA	NA
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	NA	NA	NA
Total Scope 1 and Scope 2 emissions per rupee of turnover	NA	NA	NA

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Not Applicable, as MIDHANI's manufacturing process does not lead to emission of Green House Gases, hence not applicable.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 22-23	FY 21-22
Total Waste generated (in tonnes)		
Plastic waste (A)	04	-
E-waste (B)	02	02
Bio-medical waste (C)	0.04	0.04

Parameter	FY 22-23	FY 21-22
Construction and demolition waste (D)	-	-
Battery waste (E)	1.10	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)		
1. Pickling Sludge	0.40	0.83
2. Oil Soaked Cotton waste	0.03	0.15
3. Used Coolant oil	0.10	0.43
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)		
1. Used Oil	60,000 Ltrs. 58.90 Tonnes	data not available
Total (A+B + C + D + E + F + G + H)	66.47	3.45
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste	0	0
i) Recycled	0	0
ii) Re-used	0	0
iii) Other recovery operations	0	0
Total	0	0
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)#		
Category of waste	-	-
i) Incineration	-	-
ii) Landfilling	-	-
iii) Other disposal operations	-	-

Note: No independent assessment/ evaluation/assurance has been carried out by an external agency.

#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.

9. 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.

10. 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 in the following format:

    Not Applicable.

11. 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 FY23. MIDHANI ensures that all regulatory permits and approvals are in place before starting of any project/ business unit

12. 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).

    Yes.

If not, provide details of all such non-compliances, in the following format: **Not Applicable**

Specify the law / regulation / guidelines which was not complied with	Provide details of the non- compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any

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

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:

Sl. 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: **Not Applicable.**

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

   Company in-house undertakes, 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 this 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, addressed and proper record is maintained. Also, any stakeholder of Company can file compliant under MIDHANI's 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 interact with implementing agencies on regular basis and provide feedback box at CSR sites which are also monitored and addressed accordingly.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 22-23	FY 21-22
Directly sourced from MSMEs/small producers#	45.02	37.56
Sourced directly from within the district and neighbouring districts	Not available	Not available

% of Domestic Procurement

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators: -

1. 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 through email, transmittal letter communications and verbal communications directly. The customers can also lodge complaint through contact number and email address and web forms provided on the Company website.

2. 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.

3. Number of consumer complaints in respect of the following:

	FY 22-23			FY 21-22		
	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	11	6	Nil	4	0	Nil
Restrictive Trade Practice	NIL	NIL	Nil	NIL	NIL	NIL
Unfair Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Other	Nil	Nil	Nil	Nil	Nil	Nil

4. Details of instances of product recalls on account of safety issues:

	Number	Reason for call
Voluntary recalls	Nil	Not applicable
Forced recalls	Nil	Not applicable

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? If available, provide a web-link of the policy:

   Yes, the Company has a framework/ policy on cyber security and risks related to data privacy, accessible at: https://midhani-india.in/policies/

6. 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

For **Mishra Dhatu Nigam Limited**

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

Place: Hyderabad
Date: July 18, 2023

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 2022-23; 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 25, 2023

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 2023, 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, 2023.

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 2023. 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 2023 and Company has also complied with Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010, during the year ended on 31st March 2023.

Observations:

a) Regulation 17(1)(b): As on 31st March 2023, 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 "atleast 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: F009896E000317335

Place: Hyderabad
Date: May 16, 2023

Annexure- VIII

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2023

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

To,
The Members,
Mishra Dhatu Nigam Limited
CIN: L14292TG1973GOI001660
P.O. Kanchanbagh, Hyderabad - 500058

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** (hereinafter referred as 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2023** generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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, 2023 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015;

(iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(v) 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;

(vi) 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 (Issue of Capital and Disclosure Requirements) Regulations, 2018; **[The Listed Entity didn't take any action which attracts the provisions of these Regulations during the period under review]**

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **[The Listed Entity didn't take any action which attracts the provisions of these Regulations during the period under review]**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[The Listed Entity didn't take any action which attracts the provisions of these Regulations 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; **[Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review;]**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; [The Listed Entity didn't take any action which attracts the provisions of these Regulations during the period under review]

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **[The Listed Entity didn't take any action which attracts the provisions of these Regulations during the period under review]**

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India.

ii. Corporate Governance Guidelines issued by Department of Public Enterprises ("DPE") vide their OM. No. 18(8)/2005-GM dated May 14, 2010.

iii. The Listing Agreements entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations/ deviation:

Sr. No	Compliance Requirement (Regulations/ circulars /guidelines including specific clause)	Deviation	Observations/Remarks of the Practicing Company Secretary, if any
1	Reg.17(1)(b) of SEBI (LODR) Regulations, 2015:	Non-compliance with the requirements pertaining to the composition of the Board, half of the Board is not independent	*As on 31st March, 2023, the Company did not comply with the requirement under Reg. 17(1)(b) of SEBI (LODR) Regulations, 2015 of having atleast half of the board of directors comprising of independent directors as the Chairman is executive

*Note: It is hereby observed that the Company being a Government of India Enterprise, the power to appoint Directors (including Independent Directors) and the terms and conditions of such appointments including remuneration, evaluation etc., vests with the Government of India (GoI).

The following are the details of actions taken against the listed entity / its promoters / directors / material subsidiaries either by SEBI or by 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	Fines levied for	Details of action taken	Observations/ Remarks of the Practicing Company Secretary, if any
1	BSE e-mail dated August 22, 2022	Non-compliance under regulation 17(1) of SEBI (LODR) Regulations pertaining to the composition of the Board including failure to appoint woman director	For the quarter ended June, 2022	Fine of ₹ 5,36,900/-	The company filed waiver application and decision awaited from BSE
2	BSE e-mail dated August 22, 2022	Non-compliance under regulation 18(1) of SEBI (LODR) Regulations pertaining to constitution of audit committee	For the quarter ended June, 2022	Fine of ₹ 9,440/-	The company filed waiver application and decision awaited from BSE
3	BSE e-mail dated August 22, 2022	Non-compliance under regulation 19(1)/19(2) of SEBI (LODR) Regulations pertaining to constitution of nomination and remuneration committee	For the quarter ended June, 2022	Fine of ₹ 2,14,760/-	The company filed waiver application and decision awaited from BSE

Sr. No	Action taken by	Details of Violation	Fines levied for	Details of action taken	Observations/ Remarks of the Practicing Company Secretary, if any
4	BSE e-mail dated August 22, 2022	Non-compliance under regulation 20(2)/(2A) of SEBI (LODR) Regulations pertaining to constitution of stakeholder relationship committee	For the quarter ended June, 2022	Fine of ₹ 9,440/-	The company filed waiver application and decision awaited from BSE
5	BSE e-mail dated Nov 21, 2022	Non-compliance under regulation 17(1) of SEBI (LODR) Regulations pertaining to the composition of the Board including failure to appoint woman director	For the quarter ended Sept, 2022	Fine of ₹ 5,42,800/-	The company filed waiver application and decision awaited from BSE
5	BSE e-mail dated Nov 21, 2022	Non-compliance under regulation 19(1)/19(2) of SEBI (LODR) Regulations pertaining to constitution of nomination and remuneration committee	For the quarter ended Sept, 2022	Fine of ₹ 61,360/-	The company filed waiver application and decision awaited from BSE
6	BSE e-mail dated Feb 21, 2023	Non-compliance under regulation 17(1) of SEBI (LODR) Regulations pertaining to the composition of the Board including failure to appoint woman director	For the quarter ended Dec, 2022	Fine of ₹ 5,42,800/-	The company filed waiver application and decision awaited from BSE
7	BSE e-mail dated May 22, 2023	Non-compliance under regulation 17(1) of SEBI (LODR) Regulations pertaining to the composition of the Board including failure to appoint woman director	For the quarter ended March, 2023	Fine of ₹ 5,31,000/-	The company filed waiver application and decision awaited from BSE
8	NSE e-mail dated May 22, 2023	Non-compliance under regulation 17(1) of SEBI (LODR) Regulations pertaining to the composition of the Board including failure to appoint woman director	For the quarter ended March, 2023	Fine of ₹ 5,31,000/-	The company filed waiver application and decision awaited from NSE

iv. As per Certificate of Compliance of various laws/Policies & Procedures issued by the Heads of all departments for every quarter, following are laws applicable specifically to the Company:

1. Official Secrets Act, 1923;
2. Right to Information Act, 2005;
3. The Central Vigilance Commission Act, 2003;
4. The Trade Unions Act, 1961;
5. Public Liability Insurance Act, 1991 and Rules made thereunder;
6. Factories Act, 1948;
7. The Industrial Disputes Act, 1947;
8. Labour Laws and other incidental laws related to labour and employees appointed by the company either on its payroll or on contractual basis as related to Wages, Gratuity, Bonus, Provident Fund, ESIC, compensation etc.;
9. Acts prescribed under prevention and control of pollution;
10. Acts prescribed under Environmental protection; and
11. Acts as prescribed under Direct Tax and Indirect Tax.

Adequate notice is given to all directors of the schedule of the Board Meetings, including Committees thereof, along with the agenda and detailed notes on agenda were sent at least seven days in advance, 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 of the Board are carried out with majority along with the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that as per the explanations given to us and the representations made by the Management and relied upon by us, 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 audit period the following events have occurred which had a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc:

1. Appointment of Smt. V. T. Rema (DIN: 09561611) as Independent Director of the Company w.e.f. April 5, 2022. The Members of Company accorded their approval by passing special resolution through postal ballot (through e-voting mode only) on June 30, 2022;

2. Appointment of Shri T. Muthukumar (DIN: 09636771) as Director (Production and Marketing) of the Company w.e.f. June 23, 2022. The Members of Company accorded their approval by passing ordinary resolution through postal ballot (through e-voting mode only) on August 3, 2022; and

3. Appointment of Shri Surendra Prasad Yadav (DIN: 02267582) as Government Nominee Director of the Company w.e.f. November 10, 2022. The Members of Company accorded their approval to such appointment by passing an ordinary resolution through postal ballot (through e-voting mode only) on January 27, 2023.

FOR **C V REDDY K & ASSOCIATES**
COMPANY SECRETARIES

Sd/-
C V REDDY K
COMPANY SECRETARY IN PRACTICE
M NO: 7976
CP NO: 8998

Place: Hyderabad
Date: 11.07.2023
UDIN: F007976E000584442

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
CIN: L14292TG1973GOI001660
P.O. Kanchanbagh, Hyderabad - 500058

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. Wherever 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 compliance of the provisions of various Environmental Laws, Labour Laws and other applicable laws, rules, regulations, standards is the responsibility of management and the Management has confirmed the compliance of all the provisions of enactments referred herein above.

7. The Secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR **C V REDDY K & ASSOCIATES**
COMPANY SECRETARIES

Sd/-
C V REDDY K
COMPANY SECRETARY IN PRACTICE
M NO: 7976
CP NO: 8998

Place: Hyderabad
Date: 11.07.2023
UDIN: F007976E000584442

Management's reply to observations under Secretarial Audit Report

Sl. No.	Observations of Secretarial Auditor	Management's Reply
1.	Non-compliance with the requirements pertaining to the composition of the Board, half of the Board is not independent	As on March 31, 2023, the Board of MIDHANI comprised of Three (3) Executive Directors; Two (2) Independent Directors; and One (1) Govt. Nominee Director (Non-Executive). There exist, vacancies of Two (2) Independent Directors on the Board of MIDHANI. 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. 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. 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.

For **Mishra Dhatu Nigam Limited**

Sd/-

Dr. Sanjay Kumar Jha

Chairman & Managing Director

DIN: 07533036

Place: Hyderabad

Date: July 18, 2023

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 year ended 31st March, 2023 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 year ended 31st March , 2023 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 25, 2023

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, 2023 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.

Sr. 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	Surendra Prasad Yadav	02267582	10/11/2022

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 Puttaparthi Jagannatham & Co.
Company Secretaries

Sd/-
CS Navajyoth Puttaparthi
Partner
FCS No: 9896; C P No: 16041
Peer Review Certificate No. 1158/2021
UDIN: F009896E000317302

Place: Hyderabad
Date: May 16, 2023

Financial Statements

Independent Auditor's Report

To
The Members of
Mishra Dhatu Nigam Limited
Hyderabad.

Report on the Audit of the Standalone Financial Statements

We have issued an Independent Audit Report dated 25.05.2023 on the Ind AS Standalone Financial Statements as adopted by Board of Directors on even date. Pursuant to the observations of Comptroller and Auditor General of India, we are issuing this Revised Report by including additional disclosure under 'Key Audit Matter' and 'Report on Other Legal and Regulatory Requirements' para. This report supersedes our earlier report issued on 25.05.2023.

Opinion

We have audited the accompanying standalone financial statements of **Mishra Dhatu Nigam Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2023, 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 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 March 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit 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 of India ("ICAI") 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 by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matter

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
Revenue Recognition	
Refer Accounting Policy Note No.2.3 and Note No. 28 to the standalone financial statements. 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 recognised before control has been transferred.	Following audit procedures were applied, considering the significance of the matter, amongst others to obtain sufficient appropriate audit evidence: 1. Assessed the appropriateness of the revenue recognition accounting policies whether they are in line with applicable accounting standards.

Key Audit matter	How the matter was addressed in our audit
The standard on Revenue establishes a comprehensive framework for determining when, how much & whether, revenue could be recognized. 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.	2. Evaluated the design of key controls and operating effectiveness of the relevant key controls with respect to revenue recognition on selected transactions. 3. Performed substantive testing by sample selection of revenue transactions recorded during the year by testing the underlying documents. 4. Carried out analytical procedures on revenue recognised during the year to identify unusual variances, if any. 5. Tested on sampling basis, whether revenue transactions near to the reporting data have been recognised in the appropriate period by comparing the transactions selected with relevant underlying documentation, including goods delivery notes and the terms of sales. 6. Checked the underlying documentation to verify that the control and ownership has been transferred to the customer.
Disclosure relating to Scrap which is re-usable as Raw Material **Refer Note No.31 in the Standalone Financial Statements** Company is engaged in production and supply of various Super Alloys, Special Steels/materials to Defence and other strategic sectors for Nuclear, aeronautical and space applications. In each manufacturing process involving Melting, Forging and Machining, Scrap is generated in the process which again will be re-usable almost to the extent of 90% as Raw Material in production process. Company is holding substantial amounts of scrap generated over the past few years which is again re-usable as Raw Material. This was earlier shown under 'Cost of Material Consumed' (Note No.30) Since there was no specific Ind AS or Guidance Note on the matter relating to disclosure of scrap accounting and due to the peculiar nature of the scrap re-usage, Company had sought Expert Opinion from ICAI regarding the disclosure in this regard. As per the Expert Opinion received from ICAI, the Company had regrouped the disclosure of the Scrap Accounting from earlier Note 30 - Cost of Material Consumed to Note 31 – Changes in Inventories of Finished Goods, Work in Progress and Stock-in-Trade.	Following audit procedures were applied, considering the significance of the matter, amongst others to obtain sufficient appropriate audit evidence: 1. Checked the existing disclosure till the last financial year ending, where the Company consistently disclosed for Scrap Accounting under 'Cost of Material consumed'. 2. Reviewed the details of the clarification sought from the Expert Committee of ICAI by the Company, duly disclosing the present mode of accounting, specific query regarding the exact nature of disclosure to be made along with underlying facts. 3. Reviewed the Expert Opinion given by the ICAI regarding the disclosures in the Financials relating to Scrap Accounting. 4. Checked the implementation of the said recommendation given by the Expert Committee of the ICAI by way of re-grouping in this regard.

Emphasis of Matter

We draw attention to the following matters in the Notes to the Standalone Financial Statements:

a) 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.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information contained in 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 auditors' 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 Responsibilities for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements 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 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional 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 Act, 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 the Board of Directors.

- 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 standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the **Annexure "A"**, a Statement on the Matters specified in the Paragraph 3 and 4 of the Order, to the extent applicable.

2) As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable, 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 accounts as required by law relating to preparation of the aforesaid standalone financial statements 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 Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of accounts 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 with reference to Financial Statements 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) 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.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company 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 standalone financial statements. The company has disclosed the impact of these pending litigations on the standalone financial position of the Company is subject to their judicial outcome;

   ii. The company did not have any long term contracts including Derivative Contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   iv. Proviso to Rule 3(1) of the Companies (Accounts) Rules 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 1st April 2023 and accordingly, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules 2014 is not applicable for the Financial Year ended 31st March, 2023

For **Sarath & Associates**
Chartered Accountants
Firm Regn. 05120S

Sd/-
CA V S Roop Kumar
Partner
M No. 213734
UDIN : 23213734BGWPBD2729

Date : 27.6.2023
Place : Hyderabad

ANNEXURE - "A"

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 OF MISHRA DHATU NIGAM LIMITED

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our report to Members of Mishra Dhatu Nigam Limited of even date)

i. In respect of the Company's Plant, Property & Equipment:

(a) A. The company has maintained proper records showing full particulars, including quantitative details and situation of Plant, Property & Equipment.

B. The Company is maintaining proper records showing full particulars of intangible assets.

(b) The Company has a program of verification to cover all the items of Plant, Property & Equipment, which is, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, all the Plant, Property & Equipment have been physically verified by the management during the year. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanation given to us and on the basis of our examination of the documents provided to us, we report that, the title deeds of immovable properties comprising of land which are mentioned here under are not held in the name of the Company as at the Balance sheet date.

Sl No.	Particulars	Land Details
1.	Description of Property	i. Factory Area: 132 acres and 31 Guntas ii. Corporate Office: 8.00 Acres iii. Township Area: 97 Acres and 05 Guntas iv. 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 had not carried any revaluation in respect of its Assets. Accordingly, the provisions of clause (d) of para 3 (i) are not applicable for the year under review.

(e) There are no proceedings which were either initiated or pending against the Company for holding any benami properties under the Benami Transactions (Prohibition) Act 1988.

ii. (a) The management has conducted the physical verification of inventories at reasonable intervals. In our opinion, the coverage & procedure of such verification is appropriate. The discrepancies noticed on physical verification of the inventory as compared to book records are not more than 10% and those have been properly dealt in the books of account.

(b) The Company had been sanctioned Working Capital Loan during the year under review on the basis of security of current assets. In respect of this Working Loan, the quarterly returns/ statements submitted by the Company to the Bank are in agreement with the books of accounts of the Company.

iii. The Company has not made any investments in, or provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties during the period under review. Accordingly, the provisions of Clause 3(iii)(a) to Clause 3 (iii)(f) of the said Order are not applicable for the Company during the year under review.

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.

v. According to the information and explanations given to us and based on our examination of records, the Company has not accepted any deposits during the year and does not have any unclaimed deposits as at 31st March, 2023 and therefore, the provisions of the clause 3(v) are not applicable to the Company.

vi. We have broadly reviewed the cost records maintained by the Company as prescribed by the Central Government under sub-section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of these records with a view to determine whether they are accurate and complete.

vii. According to the information and explanations given to us and on the basis of examination of the records of the Company in respect of Statutory dues:

a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Entry Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2023 for a period of more than six months from the date they became payable.

c) 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, 2023, on account of disputes pending before appropriate authorities as given in Annexure – "B".

viii. There are no transactions not recorded in the books which have been surrendered or disclosed as Income during the year in the Tax Assessments under Income Tax Act.

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) Company had not been declared a Wilful Defaulter by any Bank.

(c) Company had availed Term Loans during the year, which was utilized for the purpose for which those were raised by the Company.

(d) There are no instances of any short term funds raised which were used for Long Term purpose.

(e) There are no funds which are raised by the Company to meet the obligations of any other entities.

(f) Company had not raised any loans on the pledge of any securities held.

x. According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. However, the Company has taken (unsecured) short term loan from Bank for meeting its working capital requirements and there are no overdues in the account towards interest and no principle is due for repayment during the year.

The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

xi. a) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year. Accordingly, there are no instances of filing of Form ADT-4 as prescribed during the year under review.

b) As per the information and explanations given to us, there are no instances of any Whistle Blower complaints received during the year.

xii The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii According to the information and explanations given to us and on the basis of examination of the records of the Company, all transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details have been disclosed in the Standalone Financial Statements etc., as required by the applicable accounting standards.

xiv a) The Company has an internal audit system commensurate with the size and nature of its business.

b) We have considered the reports of the Internal Auditor while framing our report.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with its director's or persons connected to its directors and hence reporting under clause 3(xv) of the Order is not applicable to the Company.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Further, the Company did not conduct any Non-Banking Financial or House Finance Activities. The Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India. Hence reporting under clause 3(xvi) of the Order is not applicable.

xvii. The Company had not incurred any Cash losses during the year or in the immediately preceding financial year.

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.

xix. Based on the information & explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

xx. (a) There are no 'other than ongoing projects' in respect of CSR activities undertaken by the Company. Hence the reporting pursuant to provisions of Paragraph 3(xx)(a) of the said Order is not applicable.

(b) In respect of ongoing projects, the Company had transferred the unspent balance to a Special Account within thirty days from the end of the Financial Year in accordance with the provisions of Section 135(6) of the Act.

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.

For **Sarath & Associates**
Chartered Accountants
Firm Regn. 05120S

Sd/-
CA V S Roop Kumar
Partner
M No. 213734
UDIN : 23213734BGWPBD2729

Date : 27.6.2023
Place : Hyderabad

ANNEXURE - "B"

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 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, 2023)

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 Statue	Nature of Dues	Total Demand Amount	Paid under Protest	Balance	Period to which the amount relates	Forum where dispute is pending
CST Act, 1956	CST	143.60	109.44	34.16	2010-11	VAT Tribunal
VAT Act, 2005	VAT	47.83	20.79	27.04	02/2014 to 06/2017	Appellate Deputy Commissioner
Customs Act, 1962	Customs Duty & Penalty	106.20	-	106.20	2011-12	CESTAT
Central Excise Tariff Act, 1985	Excise Duty & Penalty	225.97	-	225.97	2006-07 to 2008-09	Comm. of Customs, Central Excise & Service Tax
Central Excise Tariff Act, 1985	Duty on account of non-reversal of ITC for material sent on job work	46.46	4.12	42.34	2012-13 & 2013-14	Comm. of Customs, Central Excise & Service Tax
Finance Act, 1994	Service Tax on LD received from Vendors	154.20	7.71	146.49	07/2012 to 03/2016	CESTAT
Finance Act, 1994	Service Tax on LD received from Vendors	33.21	3.32	29.89	2016-17	Comm. Of Customs, Central Excise & Service Tax
Customs Act, 1962	Customs Duty & Penalty	540.89	20.28	520.61	2009-12	CESTAT
Customs Act, 1962	Customs Duty & Penalty	116.70	114.70	2.00	2020-21	CESTAT
	Total	**1415.06**	**280.36**	**1134.70**		

ANNEXURE - "C"

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 OF MISHRA DHATU NIGAM LIMITED

(Referred to in paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" of our report to Members of Mishra Dhatu Nigam Limited of even date)

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Financial Statements of the Company, as of 31st March, 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls with reference to Financial Statements 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 with reference to Financial Statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements 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 ICAI and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Financial Statements.

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 with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Financial Statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to Financial Statements 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 with reference to Financial Statements includes those policies and procedures that:

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion:

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as on 31st March, 2023, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Sarath & Associates**
Chartered Accountants
Firm Regn. 05120S

Sd/-
CA V S Roop Kumar
Partner
M No. 213734
UDIN : 23213734BGWPBD2729

Date : 27.6.2023
Place : Hyderabad

ANNEXURE - "D"

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 OF MISHRA DHATU NIGAM LIMITED

(Referred to in paragraph 2(g) under "Report on Other Legal and Regulatory Requirements" of our report to Members of Mishra Dhatu Nigam Limited of even date)

Report on the directions under sub-section 5 of Section 143 of the Act, 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 is 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 2022-23.	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.	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 2022-23.	NIL
3.	Whether funds received / receivable for specific schemes from central/state 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 2022-23, no funds were received by the Company for any specific schemes.	NIL

For **Sarath & Associates**
Chartered Accountants
Firm Regn. 05120S

Sd/-
CA V S Roop Kumar
Partner
M No. 213734
UDIN : 23213734BGWPBD2729

Date : 27.6.2023
Place : Hyderabad

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 2023

The preparation of financial statements of **Mishra Dhatu Nigam Limited, Hyderabad** for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory 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 revised Audit Report dated 27 June 2023 which supersedes their earlier Audit Report dated 25 May 2023.

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 2023under 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.

In view of the revisions made in the Statutory auditor's report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to statutory auditors' report under section 143(6) (b) of the Act.

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

राजेश

(Rajesh Ranjan)
Principal Director of Audit (Defence-Commercial)

Place: Bengaluru
Date: 14 July 2023

Standalone Balance Sheet

as at 31st March, 2023

(₹ in Lakh)

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
ASSETS:			
Non-current assets			
Property, Plant and Equipment	3	1,01,087.21	93,748.33
Capital work-in-progress	5	7,964.40	13,186.56
Intangible assets	4	463.00	100.42
Financial Assets			
(i) Investments	6	2,210.11	2,210.11
(ii) Loans	7	-	1.59
Non current tax assets (Net)	8	52.88	555.93
Other non-current assets	9	228.77	434.03
Total Non-Current Assets		**1,12,006.37**	**1,10,236.97**
Current assets:			
Inventories	10	1,22,484.37	1,09,149.16
Financial Assets			
(i) Trade receivables	11	31,579.89	30,630.83
(ii) Cash and cash equivalents	12	1,429.11	6,247.72
(iii) Bank balances [other than (ii) above]	13	12.43	10.43
(iv) Others	14	922.40	1,171.02
Other current assets	15	17,925.95	20,620.01
Total Current Assets		**1,74,354.15**	**1,67,829.17**
Total Assets		**2,86,360.52**	**2,78,066.14**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	16	18,734.00	18,734.00
Other Equity	17	1,09,885.42	1,00,337.94
Total Equity		**1,28,619.42**	**1,19,071.94**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	18	6,735.67	2,775.88
(ia) Lease Liabilities		8,132.68	7,975.07
(ii) Others	19	94.53	84.54
Provisions	20	184.60	162.81
Deferred tax liabilities (net)	21	3,957.46	3,517.17
Other non-current liabilities	22	58,545.29	64,264.72
Total Non-current liabilities		**77,650.23**	**78,780.19**
Current Liabilities			
Financial liabilities			
(i) Borrowings	23	31,999.63	23,981.88
(ia) Lease Liabilities		1,997.12	1,247.08
(ii) Trade payables	24		
(A) Micro enterprises and Small Enterprises		429.96	379.03
(B) Other than Micro enterprises and Small enterprises		15,499.37	17,209.13
(iii) Others	25	10,840.32	10,947.17
Other current liabilities	26	16,290.18	23,187.18
Provisions	27	3,034.29	3,262.54
Total Current Liabilities		**80,090.87**	**80,214.01**
Total Equity and Liabilities		**2,86,360.52**	**2,78,066.14**

The accompanying notes 1 to 48 form an integral part of the financial statements.

As per our report of even date

for **SARATH & ASSOCIATES**
Chartered Accountants
Firm's registration no. 005120 S

Sd/-
Shri V.S. Roop Kumar
Partner
Membership No. 213734

Place: Hyderabad
Date: 25.05.2023

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
Membership No. A29037

Standalone Statement of Profit and Loss

for the year ended 31st March, 2023

(₹ in Lakh)

Particulars	Note No.	For the Year ended 31st March, 2023	For the Year Ended 31st March, 2022
Income			
Revenue From Operations	28	87,194.14	85,949.02
Other Income	29	3,778.14	3,130.62
Total Income		**90,972.28**	**89,079.64**
Expenses			
Cost of material consumed	30	39,117.67	34,490.32
Change in inventories of finished goods, work-in-progress and stock-in-trade	31	(22,832.49)	(15,409.57)
Employee benefits expense	32	12,581.85	12,254.30
Finance Costs	33	2,573.21	2,149.97
Depreciation and amortization expense	3, 4	5,300.45	3,299.53
Other expenses	34	32,576.67	28,383.11
Total Expenses		**69,317.36**	**65,167.66**
Profit / (Loss) before exceptional items and tax		**21,654.92**	**23,911.98**
Exceptional Items - Income / (Expense)		-	-
Profit / (Loss) before tax		**21,654.92**	**23,911.98**
Tax expense			
Current Tax	35	5,611.76	6,141.41
Earlier Year Tax		15.26	-
MAT Credit Entitlement			
Deferred Tax		440.29	139.80
Profit / (Loss) for the period		**15,587.61**	**17,630.77**
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		(10.34)	81.01
(ii) Income tax relating to items that will not be reclassified to profit or loss		2.60	(20.39)
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		(7.74)	60.62
Total Comprehensive Income for the period		**15,579.87**	**17,691.39**
(Comprising Profit / (Loss) and Other Comprehensive Income for the period)			
Earning per equity share (Amount in ₹)			
Basic (₹)		8.32	9.41
Diluted (₹)		8.32	9.41
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.

As per our report of even date

for **SARATH & ASSOCIATES**
Chartered Accountants
Firm's registration no. 005120 S

Sd/-
Shri V.S. Roop Kumar
Partner
Membership No. 213734

Place: Hyderabad
Date: 25.05.2023

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
Membership No. A29037

Standalone Statement of Changes in Equity

as at 31st March, 2023

A. Equity Share Capital

(1) As at 31st March, 2023

(₹ in Lakh)

Balance as at 01st April, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance as at 01st April, 2022	Changes in share capital during the F.Y. 2022-23	Balance as at 31st March, 2023
18,734.00	-	18,734.00	-	18,734.00

(2) As at 31st March, 2022

(₹ in Lakh)

Balance as at 01st April, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at 01st April, 2021	Changes in share capital during the F.Y. 2021-22	Balance as at 31st March, 2022
18,734.00	-	18,734.00	-	18,734.00

B. Other Equity

(1) 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 01st 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 01st 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**

Standalone Statement of Changes in Equity

as at 31st March, 2023

(2) As at 31st March, 2022

(₹ 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 01st April, 2021	**8,920.37**	**79,575.87**	**32.87**	**88,529.11**
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance as at 01st April 2021	**8,920.37**	**79,575.87**	**32.87**	**88,529.11**
Profit for the Period	17,630.77			17,630.77
Remeasurement of the net defined benefit liability / asset, net of tax effect			60.62	60.62
Dividends	(5,882.56)			(5,882.56)
Dividend Distribution Tax	-			-
Transfer to General Reserve	(10,300.00)	10,300.00		-
Balance as at 31st March, 2022	**10,368.58**	**89,875.87**	**93.49**	**1,00,337.94**

The accompanying notes 1 to 48 form an integral part of the financial statements.

As per our report of even date

for **SARATH & ASSOCIATES**
Chartered Accountants
Firm's registration no. 005120 S

Sd/-
Shri V.S. Roop Kumar
Partner
Membership No. 213734

Place: Hyderabad
Date: 25.05.2023

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
Membership No. A29037

Standalone Statement of Cash Flow

for the year ended 31st March, 2023

(₹ in Lakh)

Particulars	For the Year ended 31st March, 2023	For the Year Ended 31st March, 2022
Cash flows from operating activities		
Profit/(loss) for the year (before tax)	21,644.58	23,992.99
Adjustments for:		
Depreciation expense	5,300.45	3,299.53
Finance costs	1,856.70	845.19
Interest on Lease Liability	716.51	1,304.78
Interest income	(589.69)	(1,548.40)
Deferred Income from customer funded assets/Grant	(930.58)	(204.63)
Profit / Loss on sale of Fixed Assets	4.59	10.80
	28,002.56	**27,700.26**
Working capital adjustments:		
(Increase) decrease in inventories	(13,335.21)	(29,065.37)
(Increase) decrease in trade receivables and loans	(947.47)	8,016.73
(Increase) decrease in other financial assets	33.99	(105.09)
(Increase) decrease in other non-current assets	-	-
(Increase) decrease in other current assets	2,690.09	(4,445.83)
Increase (decrease) in trade payables	(1,658.83)	9,031.45
Increase (decrease) in other financial liabilities	(382.09)	64.23
Increase (decrease) in provisions	(118.50)	(331.53)
Increase (decrease) in non-current liabilities	(5,719.43)	371.30
Increase (decrease) in other current liabilities	(6,897.00)	(3,741.14)
Cash generated from operating activities	**1,668.11**	**7,495.01**
Income tax paid (net)	(5,209.33)	(6,983.75)
Net cash from(used in) operating activities (A)	**(3,541.22)**	**511.26**
Cash flow from investing activities		
Acquisition of property, plant and equipment (Net)	(7,285.29)	(9,048.65)
Deferred Income from Customer funded assets/Grant	930.58	204.63
Profit / Loss on sale of Fixed Assets	(4.59)	(10.80)
Investment in other projects	-	-
Interest received	804.32	1,337.69
Investment in fixed deposits	5,260.00	740.00
Net cash from/(used in) investing activities (B)	**(294.98)**	**(6,777.13)**
Cash flows from financing activities		
(Repayment)/Availment of borrowings	11,977.54	10,714.21
Dividend on shares	(6,034.39)	(5,885.50)
Lease Liability	907.65	1,187.67
Interest on Lease Liability	(716.51)	(1,304.78)
Interest paid	(1,856.70)	(845.19)
Net cash flow from (used in) financing activities (C)	**4,277.59**	**3,866.41**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	441.39	(2,399.46)
Cash and cash equivalents at 1st April	987.72	3,387.18
Cash and cash equivalents at the reporting date	**1,429.11**	**987.72**
Reconcilliation of cash and cash equivalents as per the balance sheet		
Cash and cash equivalents as per the cash flow statement	1,429.11	987.72
Other bank balances not considered above		
- Term Deposit	-	5,260.00
Cash and cash equivalents (including Term Deposits) at the reporting date	**1,429.11**	**6,247.72**

The accompanying notes 1 to 48 form an integral part of the financial statements.

As per our report of even date

for **SARATH & ASSOCIATES**
Chartered Accountants
Firm's registration no. 005120 S

Sd/-
Shri V.S. Roop Kumar
Partner
Membership No. 213734

Place: Hyderabad
Date: 25.05.2023

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
Membership No. A29037

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'.

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], 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 lakh 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 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.

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 01st 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:

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.

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. Re-usable process scrap, process rejections and sales rejections with customers for return

At estimated realizable value for scrap.

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.

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 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.

The Company's 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'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.

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. Further, the Company has only domestic turnover. 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.

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:

ii. 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.

iii. 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.

iv. 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.

v. 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 2022-23

3. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakh)

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As at 1st April, 2022	Additions during the year	Deductions/ Adjustments during the year	As at 31st March, 2023	As at 1st April, 2022	Additions during the year	Deductions/ Adjustments during the year	As at 31st March, 2023	As at 31st 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	5,730.88
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	63,771.58
Furntiure and Fixtures	506.93	98.61	(0.08)	605.46	279.11	50.15	(0.06)	329.20	276.26
Vehicles	499.96	111.15	(0.02)	611.09	289.10	54.57	-	343.67	267.42
Office Equipment	1,267.73	262.85	149.63	1,680.21	833.98	182.77	(8.36)	1,008.39	671.82
Other (Electrical Installations)	1,975.06	1,213.69	(161.50)	3,027.25	774.98	232.70	-	1,007.68	2,019.57
Others (Roads and Bridges)	11.30	432.66	-	443.96	2.32	44.33	-	46.65	397.31
Right of Use Assets									
Buildings/Drainage/Water systems	4,679.97	-	-	4,679.97	309.70	149.76	-	459.46	4,220.51
Plant and Equipment	21,564.15	-	-	21,564.15	878.70	819.44	-	1,698.14	19,866.01
Other (Electrical Installations)	3,526.53	-	(0.18)	3,526.35	1,043.89	335.00	-	1,378.89	2,147.46
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**	**1,01,087.21**

* Includes Assets funded by ASL where no repayment exists.

(₹ in Lakh)

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As at 1st April, 2021	Additions during the year	Deductions/ Adjustments during the year	As at 31st March, 2022	As at 1st April, 2021	Additions during the year	Deductions/ Adjustments during the year	As at 31st March, 2022	As at 31st March, 2022
Land	1,718.39	-	-	1,718.39	-	-	-	-	1,718.39
Buildings/Drainage/Water systems	3,611.67	1,050.93	(0.81)	4,661.79	710.77	147.16	-	857.93	3,803.86
Plant and Equipment *	39,723.26	29,326.38	(29.67)	69,019.97	8,327.42	2,096.96	(10.64)	10,413.74	58,606.23
Furntiure and Fixtures	485.73	23.40	(2.20)	506.93	235.90	44.99	(1.78)	279.11	227.82
Vehicles	480.14	19.82	-	499.96	242.70	52.41	(6.01)	289.10	210.86
Office Equipment	1,130.25	146.55	(9.07)	1,267.73	662.23	171.75	-	833.98	433.75
Other (Electrical Installations)	1,461.24	513.97	(0.15)	1,975.06	605.63	169.47	(0.12)	774.98	1,200.08
Others (Roads and Bridges)	11.30	-	-	11.30	0.84	1.48	-	2.32	8.98
Right of Use Assets				-				-	-
Buildings/Drainage/Water systems	1,556.44	3,123.53		4,679.97	235.36	74.34		309.70	4,370.27
Plant and Equipment	3,211.62	18,352.53		21,564.15	582.79	295.91		878.70	20,685.45
Other (Electrical Installations)	1,829.35	1,697.18		3,526.53	829.90	213.99		1,043.89	2,482.64
Total	**55,219.39**	**54,254.29**	**(41.90)**	**1,09,431.78**	**12,433.54**	**3,268.46**	**(18.55)**	**15,683.45**	**93,748.33**

* Includes Assets funded by ASL where no repayment exists.

Notes to Standalone Financial Statements
for FY 2022-23

1. Conveyance deeds for 275 acres and 35 guntas of Land acquired which are through various Allotment/Award Letters/GO's are yet be executed in the name of the Company. Most of them are allotted/granted by the undivided Govt. of AP earilier.

   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 ocupancy 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 ₹5,066.35 lakhs (31-Mar-2022 ₹4,984.60 lakhs) for R&D capital cost.

5 Company considered the salvage value as 5% of the Cost of Assets

6 Principal Asset costing ₹100 lakhs 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 Useful life adopted by the Company for calculation of Depreciation in respect of the following assets are less than the useful life prescribed under Schedule II of the Companies Act, 2013.

   The reduced useful life has been adopted in view of faster rate of wear and tear.

(₹ in Lakh)

Category	Gross Block	Normal Depreciation		Higher Depreciation		Impact
		Life in Years	Amount ₹ in Lakh	Life in Years	Amount ₹ in Lakh	Amount ₹ in Lakh
Furniture	6.27	10	0.49	5	0.98	0.49
TOTAL	**6.27**		**0.49**		**0.98**	**0.49**
Previous Year	4.62		0.19		0.43	0.24

9 Refer Note 41(ii) for outstanding contractual commitments.

Notes to Standalone Financial Statements
for FY 2022-23

4. INTANGIBLE ASSETS

(₹ in Lakh)

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As at 1st April, 2022	Additions during the year	Deductions/ Adjustments during the year	As at 31st March, 2023	As at 1st April, 2022	Additions during the year	Deductions/ Adjustments during the year	As at 31st March, 2023	As at 31st March, 2023
Computer Software	374.46	346.87	-	721.33	276.96	58.13		335.09	386.24
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**

(₹ in Lakh)

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As at 1st April, 2021	Additions during the year	Deductions/ Adjustments during the year	As at 31st March, 2022	As at 1st April, 2021	Additions during the year	Deductions/ Adjustments during the year	As at 31st March, 2022	As at 31st March, 2022
Computer Software	348.69	25.77	-	374.46	247.20	29.76	-	276.96	97.50
Copyrights & Patents and other intellectual property rights, services and operating rights	24.20	-	-	24.20	19.97	1.31	-	21.28	2.92
Total	**372.89**	**25.77**	**-**	**398.66**	**267.17**	**31.07**	**-**	**298.24**	**100.42**

Notes to Standalone Financial Statements

for FY 2022-23

5. CAPITAL WORK-IN -PROGRESS

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Capital Work-in-Progress-Civil	1,600.44	2,231.82
Capital Work-in-Progress- Plant & Machinery Under Erection	5,870.38	8,326.88
Plant, Machinery & Equipment under Inspection & in Transit	493.58	2,627.86
Total	**7,964.40**	**13,186.56**

6. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
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	2,000.00	2,000.00
2,00,00,000 fully paid up Equity share of ₹ 10/- each		
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

Particulars	Principal Activity and place of business	Proportion of ownership Interest/voting rights held by the Company	
		As at 31-03-2023	As at 31-03-2022
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 31st March, 2023	As at 31st March, 2022
Unsecured, considered good		
Loans to Vendors	-	1.59
Total	**-**	**1.59**

Notes to Standalone Financial Statements
for FY 2022-23

8. NON-CURRENT TAX ASSETS (NET)

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advance Income Tax	52.88	555.93
Total	**52.88**	**555.93**

9. OTHER NON-CURRENT ASSETS

(₹ in Lakh)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
Capital Advances				
Unsecured, considered good		228.77		434.03
Doubtful	35.46		35.46	
Less: Provision	35.46	-	35.46	-
Sub-Total		**228.77**		**434.03**
Others				
Doubtful Advances to supplier	22.52		22.52	
Less: Provision	22.52	-	22.52	-
Obsolete and slow moving -Raw material	370.72		256.06	
Less: Provision	370.72	-	256.06	-
Obsolete and slow moving -consumables	46.49		48.06	
Less: Provision	46.49	-	48.06	-
Obsolete and slow moving -spares	214.93		189.03	
Less: Provision	214.93	-	189.03	-
Total		**228.77**		**434.03**

10. INVENTORIES

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Raw Materials and components	10,470.00	18,065.96
Raw Materials and components -in transit	2,427.47	3,964.72
Total	**12,897.47**	**22,030.68**
Work-in-progress #	75,870.87	59,680.82
Total	**75,870.87**	**59,680.82**
Finished goods	26.97	-
Finished goods in transit	148.14	124.99
Total	**175.11**	**124.99**
Stores and spares	648.91	652.02
Stores and spares -in transit	-	5.43
Total	**648.91**	**657.45**
Loose Tools	32.35	18.82
Total	**32.35**	**18.82**
Consumables	2,021.86	2,390.92
Consumables-in transit	-	-
Total	**2,021.86**	**2,390.92**
Internally generated Scrap/rejected material	30,837.80	24,245.48
Total	**30,837.80**	**24,245.48**
Grand Total	**1,22,484.37**	**1,09,149.16**

Notes to Standalone Financial Statements
for FY 2022-23

The Inventory does not include material held in trust on behalf of Customers and material issued by the Customers to MIDHANI for job works.

#Work in progress Include materials lying with sub-contractors ₹ 1,752.23 Lakhs (31.03.2022 ₹ 2,044.79 Lakhs) and is subject to confirmation of balance by sub-contractors.

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 31st March, 2023	As at 31st March, 2022
Trade Receivables		
Considered Good - Unsecured	31,641.08	30,651.75
Which have significant increase in Credit Risk	-	-
Credit Impaired	2,089.44	1,878.12
Total (A)	**33,730.52**	**32,529.87**
Less : Allowance for bad and doubtful debts		
Considered good - Unsecured (ECL)	(61.19)	(20.92)
Which have significant increase in Credit Risk	-	-
Credit Impaired	(2,089.44)	(1,878.12)
Total (B)	**(2,150.63)**	**(1,899.04)**
Grand Total (A-B)	**31,579.89**	**30,630.83**

Trade Receivables ageing schedule

(₹ in Lakh)

Particulars	Outsanding for following periods from due date of payment					
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Recievables - Considered good	23,623.07	1,699.46	5,282.83	568.74	466.98	31,641.08
(ii) Undisputed Trade Receivables - which have significant increase in Credit Risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	1,162.55	154.93	182.50	171.34	418.12	2,089.44
(iv) Disputed Trade Receivables - Considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant incease 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 2022-23

Expected Credit Loss Percentage

Particulars	Expected credit loss	
	As at 31st March, 2023	As at 31st March, 2022
Within Credit the Period	0.00%	1.13%
Upto 3 months	0.00%	1.33%
3-6 months	1.09%	6.02%
6-9 months	10.42%	18.07%
9-12 months	100.00%	69.74%
>12 months	100.00%	100.00%
Specific Provision (₹ In Lakhs) relating to Defence, Govt and PSU customer dues	587.15	335.58
Specific Provision (₹ In Lakhs) relating to Defence, Govt, PSU, Private customer dues (LD)	1,502.29	1,542.54

(₹ in Lakh)

Age of receivables	As at 31st March, 2023	As at 31st March, 2022
Private Customers -Unsecured		
Within Credit the Period	973.23	1,101.45
Upto 3 months	422.52	585.00
3-6 months	0.48	-
6-9 months	3.16	0.32
9-12 months	54.40	0.03
>12 months	6.42	0.64
Private Customers -secured	7.18	17.50
Defence, Govt and PSU customer dues	32,263.13	30,824.93

Movement in Provision made against Trade Receivables

(₹ in Lakh)

Particulars	Total
Loss allowance as on 31st March, 2022	**1,899.04**
Changes in loss allowance	251.59
Loss allowance as on 31st March, 2023	**2,150.63**

Notes to Standalone Financial Statements

for FY 2022-23

12. CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balances with Banks		
In Current Accounts	1,427.53	985.61
In Deposit Accounts #	-	5,260.00
Cash on hand	1.58	2.11
Total	**1,429.11**	**6,247.72**

Balances in deposit accounts represents term deposits with maturities of one year or less and can be liquidated as and when required by the Company, hence classified as cash and cash equivalents.

13. CURRENT FINANCIAL ASSETS - BANK BALANCES [OTHER THAN (NOTE 12) ABOVE]

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unpaid Dividend	12.43	10.43
Total	**12.43**	**10.43**

14. CURRENT FINANCIAL ASSETS - OTHERS

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Loans and advances to employees	42.19	25.76
Claims receivable	54.97	143.75
Deposits with others	825.24	752.87
Interest accrued on bank deposits	-	214.63
Loans to Vendors	-	34.01
Total	**922.40**	**1,171.02**

15. OTHER CURRENT ASSETS

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Assets held for disposal	16.76	20.73
Prepaid expenses	263.13	241.83
GST/Customs duty receivable	17,434.93	20,238.67
Others		
Unsecured, considered good		
Advance to suppliers	211.13	118.78
Total	**17,925.95**	**20,620.01**

Notes to Standalone Financial Statements
for FY 2022-23

16. EQUITY SHARE CAPITAL

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
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**
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:

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	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

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	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	1,45,31,611	7.76%	1,46,79,407	7.84%

Notes to Standalone Financial Statements
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Details of Shareholding of Promoters

Shares held by promoters as on 31st March, 2023				% Change during the year
S. No.	Promoter Name	No. of Shares	% of Total shares	
1	President of India	13,86,31,600	74%	-

17. OTHER EQUITY

(₹ in Lakh)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
General Reserve				
Opening Balance		89,875.87		79,575.87
Less: Depreciation adjustment		-		-
		89,875.87		79,575.87
Add: Additions during the year		10,000.00		10,300.00
Sub-total		**99,875.87**		**89,875.87**
Retained Earnings				
Opening Balance		10,368.58		8,920.37
Add: Amount transferred from statement of profit and loss		15,587.61		17,630.77
Amount available for appropriation		25,956.19		26,551.14
Less: Appropriations				
Interim Dividend	3,147.32		2,922.53	
Final Dividend	2,885.07		2,960.03	
Transferred to General Reserve	10,000.00	16,032.39	10,300.00	16,182.56
Sub-total		**9,923.80**		**10,368.58**
Components of other comprehensive income				
Opening Balance		93.49		32.87
Add: Remeasurement of the net defined benefit liability / asset, net of tax effect		(7.74)		60.62
Sub-total		**85.75**		**93.49**
Total		**1,09,885.42**		**1,00,337.94**

18. NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Secured		
Term Loans		
from Banks	6,735.67	2,775.88
(Secured by way of Hypothecation of Machinery Purchased out of Term Loan)		
(Excluding ₹ 2000.00 lakh (31.03.2022 -₹ Nil) 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	**6,735.67**	**2,775.88**

Notes to Standalone Financial Statements
for FY 2022-23

19. NON-CURRENT FINANCIAL LIABILITIES - OTHERS

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deposit under MEFBS-2021	94.53	84.54
Total	**94.53**	**84.54**

20. NON-CURRENT LIABILITIES - PROVISIONS

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits		
Provision for gratuity	135.73	119.04
Provision for compensated absences	48.87	43.77
Total	**184.60**	**162.81**

21. DEFERRED TAX LIABILITIES (NET)

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred Tax Liabilities		
On Depreciation	4,671.50	4,070.37
Sub Total	**4,671.50**	**4,070.37**
Deferred Tax Assets		
On Provision	701.74	542.18
On Disallowance as per IT Act	12.30	11.02
Sub Total	**714.04**	**553.20**
Total	**3,957.46**	**3,517.17**

Movement in deferred tax

(₹ in Lakh)

Particulars	Closing Balance 31-Mar-2022	Charge/Credit during the year 2022-23	Closing Balance 31-Mar-2023
Deferred Tax Assets			
Provision for Non Moving Stores	124.12	34.97	159.09
Provisions for Doubtful Debts	89.72	73.45	163.17
Provisions for Doubtful ICD	-	-	-
Provisions for Doubtful Adv / Claims	5.67	-	5.67
Provision for Contingencies & Warranty	190.21	8.41	198.62
AMTL Leave Provision	11.02	1.28	12.30
Provison for Others	27.69	-	27.69

Notes to Standalone Financial Statements
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(₹ in Lakh)

Particulars	Closing Balance 31-Mar-2022	Charge/Credit during the year 2022-23	Closing Balance 31-Mar-2023
OFB-Melt-IV Interest Differences (Net)	62.79	8.71	71.50
VSSC Interest Differences (Net)	-	-	-
OFB-WPM Interest Differences (Net)	41.98	34.02	76.00
Total Assets	**553.20**	**160.84**	**714.04**
Deferred Tax Liability			
Depreciation	4,070.37	601.13	4,671.50
Total Liability	**4,070.37**	**601.13**	**4,671.50**
Net Liability	**3,517.17**	**440.29**	**3,957.46**

22. OTHER NON-CURRENT LIABILITIES

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advances		
Advances from Customers	17,786.41	24,220.29
Others		
Material Received on Loan - Kaveri Project	-	29.46
Other Liabilities - VSSC	54.72	54.72
Other Liabilities - OFB	43.00	43.00
Advances Others	64.57	64.57
Deferred Income	40,596.59	39,852.68
Total	**58,545.29**	**64,264.72**

23. CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Secured		
Loans repayable on demand		
From Banks		
Cash Credit	(0.37)	(0.09)
(By hypothecation of Raw materials, stock in process, finished good and book debts.)		
From various banks-short term overdraft secured by pledge of fixed deposits	-	(18.03)
Secured by Fixed Deposits of ₹ Nil (31.03.2022 Nil)		
Unsecured		
From Banks		
Short Term Loans	30,000.00	24,000.00
Current Maturities of Long Term Debt	2,000.00	-
Total	**31,999.63**	**23,981.88**

Notes to Standalone Financial Statements
for FY 2022-23

24. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Micro & Small Enterprises	429.96	379.03
Others @	15,499.37	17,209.13
Total	**15,929.33**	**17,588.16**

@ 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				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	429.96	-	-	-	429.96
(ii) Others	14,347.88	484.55	317.89	349.05	15,499.37
(iii) Disputed dues - MSME	-		-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

25. CURRENT FINANCIAL LIABILITIES - OTHERS

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Earnest money deposit	-	10.68
Security Deposit	175.87	204.98
Liabilities to customers	1,016.47	1,086.49
Capital creditors	8,098.26	7,813.03
Employee payables	1,537.29	1,821.56
Unpaid Dividend	12.43	10.43
Total	**10,840.32**	**10,947.17**

26. OTHER CURRENT LIABILITIES

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advances received from customers	11,856.63	16,145.88
Liabilities for Customer Financed projects	502.69	3,036.60
Material Received on Loan - Others	3,790.65	3,790.65
Statutory liabilities	140.21	214.05
Total	**16,290.18**	**23,187.18**

Notes to Standalone Financial Statements

for FY 2022-23

27. CURRENT - PROVISIONS

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits		
Provision for compensated absences	265.23	172.88
Provision for gratuity	200.36	115.62
Provision for post retirement medical scheme	162.40	163.03
Provision for other employee benefits	1,466.99	1,817.16
Other Provisions		
Provision for contingencies and warranty	789.18	755.76
Provision for Income Tax	40.09	128.05
Other provisions	110.04	110.04
Total	**3,034.29**	**3,262.54**

Movement in Provisions (Short term and Long term)

(₹ in Lakh)

Particulars	As at 01.04.2022	Additions	Utilization	Reversal	As at 31.03.2023
Compensated absences	216.65	270.33	172.88	0.00	314.10
Gratuity	234.66	217.05	115.62	0.00	336.09
Post retirement medical scheme	163.03	162.40	163.03	0.00	162.40
Contingencies and Warranty	755.76	33.42	0.00	0.00	789.18
Others	1927.20	650.00	1000.17	0.00	1,577.03
Total	**3,297.30**	**1,333.20**	**1,451.70**	**0.00**	**3,178.80**

28. REVENUE FROM OPERATIONS

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
Sale of Manufacturing Products	79,097.37	74,254.30
Less : Sale of trial run production (Transferred to CWIP)	-	109.56
	79,097.37	**74,144.74**
Export Sales	3,744.53	8,702.16
Sale of Services	2,145.70	850.84
Other Operating Revenues	2,206.54	2,251.28
Total	**87,194.14**	**85,949.02**

Notes to Standalone Financial Statements
for FY 2022-23

29. OTHER INCOME

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
Interest Income		
From Banks	33.26	420.36
From Others	556.43	1,128.04
Liquidated Damages	1,004.94	571.16
Exchange rate variance	-	40.10
Net gain on sale of Fixed Assets	0.06	0.16
Income from Sale of Unserviceable Scrap	269.55	127.65
Excess Liabilities written back	695.78	428.39
Grant Income	930.58	204.63
Other miscellaneous income	287.54	210.13
Total	**3,778.14**	**3,130.62**

Details of other miscellaneous income

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
Sale of Application Forms (Personnel)	0.35	15.97
Sale of Tender Documents	-	-
Others	287.19	194.16
Total	**287.54**	**210.13**

30. COST OF MATERIAL CONSUMED

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
Cost of Material for manufactured products	39,117.67	34,490.32
Total	**39,117.67**	**34,490.32**

Notes to Standalone Financial Statements

for FY 2022-23

31. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
Opening Stock		
Work-in-progress	59,680.82	46,233.18
Finished Stock	124.99	648.90
Scrap	24,245.48	21,759.64
	84,051.29	**68,641.72**
Closing 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**
(Increase) / Decrease		
Work-in-progress	(16,190.05)	(13,447.64)
Finished Stock	(50.12)	523.91
Scrap	(6,592.32)	(2,485.84)
Total	**(22,832.49)**	**(15,409.57)**

32. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
Salaries & Wages		
Salaries & Wages	8,671.55	8,375.76
Leave Encashment	427.01	346.68
Directors remuneration	183.88	123.94
Contribution to Provident and other Funds		
Contribution to provident fund	701.64	687.73
Employees Gratuity	199.92	205.97
Leave salary and pension contribution	358.58	378.05
Staff Welfare & Training		
Workmen and staff welfare expense	2,039.27	2,136.17
Total	**12,581.85**	**12,254.30**

Notes to Standalone Financial Statements
for FY 2022-23

(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	2022-23	2021-22
In Income Statement	194.73	200.56
In Other Comprehensive Income	10.34	(81.01)
Net Liability	**205.07**	**119.55**

Assets and Liability (Balance Sheet Position)

(₹ in Lakh)

Particulars	2022-23	2021-22
Present Value of Obligation	2,934.50	3,329.05
Fair Value of Plan Assets	2,734.14	3,213.43
Surplus / (Deficit)	(200.36)	(115.62)
Effects of Asset Ceiling, if any	-	-
Net Assets / (Liability)	**(200.36)**	**(115.62)**

Changes in the Present Value of Obligation

(₹ in Lakh)

Particulars	2022-23	2021-22
Present Value of Obligation as at beginning	3,329.05	3,595.65
Current Service Cost	186.41	184.24
Interest Expense or Cost	239.52	242.53
Re-measurement (or Actuarial) (gain) / loss arising from:	-	-
- change in demographic assumptions	-	-
- change in financial assumptions	(62.36)	(110.51)
- experience variance (Actual Vs assumptions)	49.56	31.95
Past Service Cost	-	-
Effect of change in foreign exchange rates	-	-
Benefits Paid	(807.69)	(614.81)
Acquisition Adjustment	-	-
Effect of business combinations or disposals	-	-
Present Value of Obligation as at the end	**2,934.50**	**3,329.05**

Bifurcation of net liability

(₹ in Lakh)

Particulars	2022-23	2021-22
Current Liability (Short term)	-	-
Non-Current Liability (Long term)	200.36	115.62
Net Liability	**200.36**	**115.62**

Notes to Standalone Financial Statements

for FY 2022-23

Changes in the Fair Value of Plan Assets

(₹ in Lakh)

Particulars	2022-23	2021-22
Fair Value of Plan Assets as at the beginning	3,213.43	3,353.80
Investment Income	231.20	226.22
Employer's Contribution	120.34	245.78
Expenses	-	-
Employee's Contribution	-	-
Benefits Paid	(807.69)	(614.81)
Return on plan assets , excluding amount recognised in net interest expense	(23.14)	2.44
Acquisition Adjustment	-	-
Fair Value of Plan Assets as at the end	**2,734.14**	**3,213.43**

Expenses Recognised in the Income Statement

(₹ in Lakh)

Particulars	2022-23	2021-22
Current Service Cost	186.41	184.24
Past Service Cost	-	-
Loss / (Gain) on settlement	-	-
Expected return on Asset	-	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	8.32	16.31
Actuarial Gain/Loss	-	-
Expenses Recognised in the Income Statement	**194.73**	**200.55**

Other Comprehensive Income

(₹ in Lakh)

Particulars	2022-23	2021-22
Actuarial (gains) / losses		
- change in demographic assumptions		-
- change in financial assumptions	(62.36)	(110.51)
- experience variance (i.e. Actual experience vs assumptions)	49.56	31.95
- others	-	-
Return on plan assets, excluding amount recognized in net interest expense	23.14	(2.44)
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	**10.34**	**(81.00)**

Notes to Standalone Financial Statements
for FY 2022-23

Actuarial assumptions

Particulars	2022-23	2021-22
Discount rate (per annum)	7.45%	7.20%
Salary growth rate (per annum)	8.00%	8.00%

Demographic assumptions

Particulars	2022-23	2021-22
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)		
Age	Male	Female
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-23		31-Mar-22	
Defined Benefit Obligation (Base)	2,934.50	-	3,329.05	-
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	3,201.24	2,708.02	3,587.44	3,108.84
(% change compared to base due to sensitivity)	9.1%	-7.7%	7.8%	-6.6%
Salary Growth Rate (- / + 1%)	2,790.38	3,086.70	3,196.85	3,471.25
(% change compared to base due to sensitivity)	-4.9%	5.2%	-4.0%	4.3%
Attrition Rate (- / + 1%)	2,873.53	2,982.75	3,283.08	3,364.86
(% change compared to base due to sensitivity)	-2.1%	1.6%	-1.4%	1.1%
Mortality Rate (- / + 10%)	2,933.01	2,935.98	3,327.81	3,330.29
(% change compared to base due to sensitivity)	-0.1	0.1	0.0%	0.0%

Notes to Standalone Financial Statements

for FY 2022-23

Expected cash flows over the next (valued on undiscounted basis):

(₹ in Lakh)

1 year	431.48
2 to 5 years	1,292.99
6 to 10 years	956.25
More than 10 years	4,177.40

(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	31-Mar-23	31-Mar-22
Current Liability (Short term)	301.52	434.80
Non-Current Liability (Long term)	2,491.02	2,271.29
Net Liability	**2,792.54**	**2,706.09**

(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 31st March, 2023	For the Year Ended 31st March, 2022
Interest expense		
Cash Credit	105.44	47.02
Short Term Overdrafts	3.44	94.86
Interest expenses on Lease Liability	716.51	1,304.78
Interest - Others	0.27	24.87
Interest - Term Loan	1,747.55	463.38
Discount on issue of Commercial Paper	-	215.06
Total	**2,573.21**	**2,149.97**

Notes to Standalone Financial Statements
for FY 2022-23

34. OTHER EXPENSES

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
Travelling Expenses		
Travelling and conveyance	282.39	136.08
Hire of cars	37.43	20.78
Communication Expenses		
Postage & telephone	42.70	45.71
Repairs & maintenance expenses		
Buildings	700.26	528.56
Plant and machinery	699.20	476.16
Others	198.45	151.97
Rent, rates & taxes		
Rates and taxes	8.70	19.85
Rent	39.40	42.03
Printing and stationery		
Printing and stationery	11.98	8.50
Office maintenance expenses		
Security guard charges	789.16	922.58
Administration expenses-Others	192.30	318.11
Power & fuel		
Power and fuel	10,081.45	6,126.31
Sub-contractor expenses		
Sub-contractor expenses	9,329.80	12,247.62
General expenses		
CSR Expenses	393.42	481.46
Bad debts written off	53.50	51.57
Fixed Assets written off	4.65	10.96
Sales schemes	2,079.67	1,906.29
Library books	0.05	0.49
News paper and journals	0.71	0.59
Membership fees	20.04	12.71
Training expenses	19.05	18.37
Entertainment/courtesy expenses	2.81	2.04
Hostel/guest house expenses net of income	33.53	31.28
Business promotion expenses	406.00	78.70
Directors sitting fees	8.35	0.85
Factory expenses	144.71	127.65
Advertisement	76.99	75.63
Water charges	197.96	174.98
Consumption of stores, loose tools and spare parts		
Consumption of stores, loose tools and spare parts	5,459.65	3,223.80

Notes to Standalone Financial Statements
for FY 2022-23

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
Insurance expenses		
Insurance	272.29	224.97
Professional charges		
Legal and professional fees	11.85	16.32
Internal Audit Fee	5.09	5.78
Consultancy charges	201.53	115.11
Contract professionals expenses	18.86	16.22
R& D Expenses		
R & D Contribution	30.37	1.02
Exchange fluctuation		
Exchange rate variance charged off	129.99	-
Auditors remuneration		
Auditor's remuneration	10.65	10.65
Finance & bank charges		
Bank charges	117.48	106.80
Provision for non moving inventories	138.98	211.87
Provision for Bad debts		
Provision for Doubtful Debts	291.84	137.59
Provision for Contingencies & Warranty		
Provision for Contingencies & Warranty	33.43	196.15
Provision - Others	-	99.00
Total	**32,576.67**	**28,383.11**

The Details of R&D Expenditure included in the natural head of accounts are as follows:

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
Consumption of materials	1,145.09	206.26
Conversion costs	447.84	133.19
Other Expenditure	321.73	292.82
R & D Contribution	30.37	49.52
Total	**1,945.03**	**681.79**

Remuneration and other payments to the auditor

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
Auditor		
(a) Statutory Audit & Limited Review	9.25	9.25
(b) Tax Audit	1.40	1.40
Total	**10.65**	**10.65**

Notes to Standalone Financial Statements
for FY 2022-23

Details of Corporate Social Responsibility

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
Promoting Education	61.65	164.58
Protection of Environmental & Ecology balancing Projects	-	-
Promotion of Health	207.63	267.03
Other Projects	124.14	49.85
Total	**393.42**	**481.46**

Additional details of Corporate Social Responsibility (CSR)

(₹ in Lakh)

Sl. No.	Particulars	For the Year Ended 31st March, 2023
(i)	Amount required to be spent by the company	414.33
(ii)	Amount of expenditure incurred	393.42
(iii)	Shortfall at the end of the year	20.91
(iv)	Total of previous years shortfall (For F.Y. 2021-22)	Nil
(v)	Reason for shortfall	Shortfall of expenditure pertains to an ongoing project which will be paid during the next financial year. This amount has been transferred to an unspent account as per the rules.
(vi)	Nature of CSR activities	Promote Education, Skill development, Promote culture, Social and Sport activities, Promote health activities.
(vii)	Details of related party transactions	A Trust by name MIDHANI Primary Health Care Centre (MPHCC) has been constituted by the Company for catering Health care services to the local public. In F.Y. 2022-23, Company has spent ₹133.55/- lakh towards infrastructure, Salaries, Equipment, Medicines, etc. Out of which ₹26.18/- 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 2022-23

(a) Income tax expense

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
Current tax		
Current tax on profits for the year	5,609.16	6,161.80
Earlier year tax	15.26	-
	5,624.42	**6,161.80**
Deferred tax		
Decrease (increase) in deferred tax liabilities	(440.29)	(139.80)
Total income tax expense	**6,064.71**	**6,301.60**

(b) Reconciliation of tax expense and the accounting profit multiplied India's tax rate

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2023		For the Year Ended 31st March, 2022	
Profit before tax		**21,644.58**		**23,992.99**
Tax at Indian tax rate of 25.168%		5,447.50		6,038.56
Add:				
Depreciation under Companies Act	5,300.45		3,299.53	
Disallowances under Sec 43B	-		-	
Provision for Doubtful Debts	291.84		137.59	
Provision for non moving stores and spares	138.98		211.87	
R&D expenditure	-		-	
Provision for contingency & warranty	33.43		196.15	
Provision for obselete items	-		-	
Provision for doubtful claims	-		-	
CSR Expenses	393.42		481.46	
OFB Deferred Exp (Net-off)	34.63		35.19	
VSSC Deferred Exp (Net-off)	-		(16.79)	
OFB-WPM Deferred Exp (Net off)	135.15		166.80	
AMTL Leave Provision	5.10		12.33	
Provision for Others	-		99.00	
Provision for advance to suppliers	-		-	
Others	(185.71)		(409.09)	
	6,147.29		**4,214.04**	
Less:				
Earlier years liability discharged in the current year	-		-	
Donations 80G - Akshaya Patra Foundation				
Depreciation as per IT Act	5,506.57		3,729.40	
R & D weighted deductions	-		-	
	5,506.57		**3,729.40**	
Taxable Income	**640.72**	161.26	**484.64**	121.97
Tax Liability		5,608.76		6,160.53
Interest		0.40		1.27
Earlier Year Tax		15.26		-
MAT Credit Entitlement		-		-
Deferred Tax		440.29		139.80
Total		**6,064.71**		**6,301.60**

Notes to Standalone Financial Statements
for FY 2022-23

Financial instruments

36. Fair value measurements

A. Financial instruments by category

(₹ in Lakh)

Particulars	31st March, 2023				31st March, 2022			
	FVPL	FVOCI	Amortized Cost	Total	FVPL	FVOCI	Amortized Cost	Total
Financial assets								
Trade receivables	-	-	31,579.89	31,579.89	-	-	30,630.83	30,630.83
Cash and cash equivalents	-	-	1,441.54	1,441.54	-	-	6,258.15	6,258.15
Loans	-	-	-	-	-	-	1.59	1.59
Other financial assets	-	-	922.40	922.40	-	-	1,171.02	1,171.02
Total	**-**	**-**	**33,943.83**	**33,943.83**	**-**	**-**	**38,061.59**	**38,061.59**
Financial liabilities								
Borrowings	-	-	38,735.30	38,735.30	-	-	26,757.76	26,757.76
Trade payables	-	-	15,929.33	15,929.33	-	-	17,588.16	17,588.16
Lease Liabilities	-	-	10,129.80	10,129.80	-	-	9,222.15	9,222.15
Other financial liabilities	-	-	10,934.85	10,934.85	-	-	11,031.71	11,031.71
Total	**-**	**-**	**75,729.28**	**75,729.28**	**-**	**-**	**64,599.78**	**64,599.78**

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, 2023, March 31, 2022 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, 2023, March 31, 2022 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

Notes to Standalone Financial Statements

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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.

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 neglible 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, 2022	1,899.04
Changes in loss allowance	251.59
Loss allowance on 31st March, 2023	2,150.63

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.

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At March 31, 2023, the maximum exposure to credit risk for trade receivables by geographic region was as follows.

Particulars	Carrying amount (₹ in Lakh)	
	March 31, 2023	March 31, 2022
India	32,515.18	29,654.41
Outside India	1,215.34	2,875.46
	33,730.52	**32,529.87**

At March 31, 2023, the maximum exposure to credit risk for trade receivables by type of counterparty was as follows:

Particulars	Carrying amount (₹ in Lakh)	
	March 31, 2023	March 31, 2022
Government, Government undertakings and other secured debts	32,263.13	30,824.93
Others	1,467.39	1,704.94
	33,730.52	**32,529.87**

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 ₹ 1,429.11 Lakh at March 31, 2023 (March 31, 2022: ₹ 6,247.72 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.

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.

Notes to Standalone Financial Statements
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(₹ in Lakh)

Contractual maturities of financial liabilities							
31st March, 2023	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
Non derivatives							
Borrowings (Current and Non-current)	10,499.63	20,500.00	1,000.00	2,000.00	4,735.67		38,735.30
Trade payables	15,499.56	329.01	100.76				15,929.33
Lease Liabilities	1,974.59	7.51	15.02	32.73	117.08	7,982.87	10,129.80
Other financial liabilities	1,549.72	8,274.13	1,016.47			94.53	10,934.85
Total non-derivative liabilities	**29,523.50**	**29,110.65**	**2,132.25**	**2,032.73**	**4,852.75**	**8,077.40**	**75,729.28**

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 7.25% 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 7.25 percent (2022: 7.15 percent).

Notes to Standalone Financial Statements
for FY 2022-23

The Company's debt to adjusted capital ratio at the end of the reporting period was as follows:

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2023
Total liabilities	1,57,741.10
Less : Cash and cash equivalent	1,429.11
Adjusted net debt	**1,56,311.99**
Total equity	1,28,619.42
Less : Hedging reserve	-
Adjusted equity	**1,28,619.42**
Adjusted net debt to adjusted equity ratio	1.22

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

Parent entity

Name	Type	Place of incorporation	Ownership interest	
			31-Mar-23	31-Mar-22
The President of India	Holding Company	India	74%	74%

Transactions with key management personnel

Key management personnel compensation

(₹ in Lakh)

Name of the party	31st March, 2023					31st March, 2022
	Salaries & wages	PF & EPS	Gratuity	Leave encashment	Total	Total
(a) Dr. Sanjay Kumar Jha, C&MD	74.67	7.10	-	-	81.77	82.72
(b) Shri N Gowri Sankara Rao, Director (F)	48.80	5.47	-	-	54.27	41.22
(c) Shri T. Muthukumar, Director (P & M) (W.e.f. -June-2022)	42.30	5.54	-	-	47.84	-
(d) Shri Paul Antony, CS	17.37	1.96	-	-	19.33	16.85
Total	**183.14**	**20.07**	**-**	**-**	**203.21**	**140.79**

Notes to Standalone Financial Statements

for FY 2022-23

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 31.03.2023	Year ended 31.03.2022
Utkarsha Aluminium Dhatu Nigam Limited	Equity contribution	-	-

Balance at the end of reporting day

(₹ in Lakh)

Name of Joint Venture	Nature of Transaction	Year ended 31.03.2023	Year ended 31.03.2022
Utkarsha Aluminium Dhatu Nigam Limited	Investment in equity	2000.00	2000.00

41. Contingent liabilities and commitments (to the extent not provided for)

Particulars	31st March, 2023 (₹ in Lakh)	31st March, 2022 (₹ in Lakh)
(i) Contingent liabilities		
Claims against the company not acknowledged as debt	10,887.33	9,761.22
Bank Guarantees	2,710.14	3,045.51
Letter of credit outstanding	7,567.48	8,639.98
Provisional Liquidated Damages on unexecuted customer order where the delivery date has expired	3,624.00	5,526.00
	24,788.95	**26,972.71**

Particulars	31st March, 2023 (₹ in Lakh)	31st March, 2022 (₹ in Lakh)
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Capital commitments)	7,576.31	13,450.93
	7,576.31	**13,450.93**

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	31st March, 2023	31st March, 2022
Profit attributable to equity holders of the Company (₹ in Lakh)	15,587.61	17,630.77
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)	8.32	9.41

Notes to Standalone Financial Statements
for FY 2022-23

43. Imported Consumption

Particulars	31st March, 2023 (₹ in Lakh)	31st March, 2022 (₹ in Lakh)
Raw Material	32,582.15	30,471.74
Consumables and Spares	518.06	361.75
Total	**33,100.21**	**30,833.49**

44. The Company has used the borrowings from banks for the specific purpose for which it was taken as at 31st March, 2023 and 31st March, 2022.

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 lesses 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 (₹ 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	Resaon 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	Not Applicable				
	Building					
PPE retired from active use and held for disposal	Land	Not Applicable				
	Building					
Others		Not Applicable				

Notes to Standalone Financial Statements
for FY 2022-23

(ii) During the year, the Company has not revalued its Property, Plant and Equiment 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 serverally or jointly with any other person.

(iv) Capital-Work-in Progress (CWIP) ageing schedule.

(₹ in Lakh)

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	5,860.33	1,248.36	-	855.71	**7,964.40**
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, 2023 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	31st March, 2023	31st March, 2022	% of variance	Reason for variance (For more than 25 %)
Current Ratio	Current Assets	Current Liabilities	2.18	2.09	4.31%	
Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.30	0.22	36.36%	Increase in Working capital loan and availment of CAPEX Loan
Debt Service Coverage Ratio	EBITDA	Debt service(Interest & Principal repayments)	0.71	1.02	-30.39%	Increase in Working capital loan and availment of CAPEX Loan
Retrun on Equity (%)	Net profit after tax	Average Shareholder's Equity	12.59%	15.58%	-19.19%	
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	0.57	0.66	-13.64%	
Trade Receivable Turnover Ratio	Net Credit Sales	Average Trade Receivables	2.80	2.48	12.90%	
Trade Payable Turnover Ratio	Net Credit Purchases	Average Trade Payables	2.09	3.93	-46.82%	Reduction in Purchase of Raw Material

Notes to Standalone Financial Statements
for FY 2022-23

Ratio	Numerator	Denominator	31st March, 2023	31st March, 2022	% of variance	Reason for variance (For more than 25 %)
Net Capital Turnover Ratio	Net Sales	Working capital	0.93	0.98	-5.10%	
Net Profit Ratio (%)	Net profit after tax	Net Sales	17.88%	20.51%	-12.82%	
Return on Capital Employed (%)	EBIT	Capital Employed	17.39%	20.79%	-16.35%	
Retrun on Investment (%)	Not applicable					

46. As at 31st March, 2023, 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.

48. The previous period figures have been regrouped/reclassified, wherever necessary to conform to the current presentation.

Independent Auditor's Report

To
The Members of
Mishra Dhatu Nigam Limited
Hyderabad.

Report on the Audit of the Consolidated Financial Statements

We have issued an Independent Audit Report dated 25.05.2023 on the Ind AS Consolidated Financial Statements as adopted by Board of Directors on even date. Pursuant to the observations of Comptroller and Auditor General of India, we are issuing this Revised Report by including additional disclosure under 'Key Audit Matter' and 'Report on Other Legal and Regulatory Requirements' para. This report supersedes our earlier report issued on 25.05.2023.

Opinion

We have audited the accompanying consolidated financial statements of **Mishra Dhatu Nigam Limited** (hereinafter referred to as "the Company") and its joint controlled entity, which comprise the consolidated balance sheet as at March 31, 2023, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated 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 ("the Act") in the manner so required and give a true and fair view, in conformity with Indian Accounting Standards (Ind AS) 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 March 31, 2023, 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 (SAs) 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 Consolidated Financial Statements section of our report. We are independent of the Company and its joint controlled entity in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the 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 Matter

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 matter that we have identified in the current year are as follows:

Key Audit matter	How the matter was addressed in our audit
Revenue Recognition	
Refer Accounting Policy Note No.2.3 and Note No. 28 to the standalone financial statements. 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 recognised before control has been transferred.	Following audit procedures were applied, considering the significance of the matter, amongst others to obtain sufficient appropriate audit evidence: 1. Assessed the appropriateness of the revenue recognition accounting policies whether they are in line with applicable accounting standards.

Key Audit matter	How the matter was addressed in our audit
The standard on Revenue establishes a comprehensive framework for determining when, how much & whether, revenue could be recognized. 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.	2. Evaluated the design of key controls and operating effectiveness of the relevant key controls with respect to revenue recognition on selected transactions. 3. Performed substantive testing by sample selection of revenue transactions recorded during the year by testing the underlying documents. 4. Carried out analytical procedures on revenue recognised during the year to identify unusual variances, if any. 5. Tested on sampling basis, whether revenue transactions near to the reporting data have been recognised in the appropriate period by comparing the transactions selected with relevant underlying documentation, including goods delivery notes and the terms of sales. 6. Checked the underlying documentation to verify that the control and ownership has been transferred to the customer.
Disclosure relating to Scrap which is re-usable as Raw Material **Refer Note No.31 in the Standalone Financial Statements** Company is engaged in production and supply of various Super Alloys, Special Steels/materials to Defence and other strategic sectors for Nuclear, aeronautical and space applications. In each manufacturing process involving Melting, Forging and Machining, Scrap is generated in the process which again will be re-usable almost to the extent of 90% as Raw Material in production process. Company is holding substantial amounts of scrap generated over the past few years which is again re-usable as Raw Material. This was earlier shown under 'Cost of Material Consumed' (Note No.30) Since there was no specific Ind AS or Guidance Note on the matter relating to disclosure of scrap accounting and due to the peculiar nature of the scrap re-usage, Company had sought Expert Opinion from ICAI regarding the disclosure in this regard. As per the Expert Opinion received from ICAI, the Company had regrouped the disclosure of the Scrap Accounting from earlier Note 30-Cost of Material Consumed to Note 31 – Changes in Inventories of Finished Goods, Work in Progress and Stock-in-Trade.	Following audit procedures were applied, considering the significance of the matter, amongst others to obtain sufficient appropriate audit evidence: 1. Noted that till the last financial year ending, Company had consistently disclosed for Scrap Accounting under 'Cost of Material consumed'. 2. Gone through the details of the clarification sought from the Expert Committee of ICAI by the Company, duly disclosing the present mode of accounting, specific query regarding the exact nature of disclosure to be made along with underlying facts. 3. Gone through the Expert Opinion given by the ICAI regarding the disclosures in the Financials relating to Scrap Accounting. 4. Checked the implementation of the said recommendation given by the Expert Committee of the ICAI by way of re-grouping in this regard.

Emphasis of Matter

We draw attention to the following matters in the Notes to the Consolidated Financial Statements:

a) 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 (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.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information contained in 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 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 will 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 and presentation of these consolidated financial statements in term of the requirements of the Act 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 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 the assets of the respective companies and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements 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 Board of Directors of the Company and its jointly controlled entity are responsible for assessing their 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 be liquidated 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 responsible for overseeing the financial reporting process of each Company and of the jointly 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 the 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 SAs, 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 Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with respect to the consolidated financial statements 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 the Board of Directors.

- 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 provide those charged with governance of the Company and such other jointly controlled entity included in the consolidated financial statements 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

1. The accompanying consolidated financial statements include the Company's share of Net Profit of ₹ 38.84 Lakhs for the year ended March 31, 2023, 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 has 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 disclosure on leases and 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. As required by Section 143(5) of the Act, we give in **Annexure "A"** a statement on the matters contained in directions issued by the Comptroller and Auditors General of India, the action taken thereon and its impact on the accounts and consolidated financial statements of the Company and its jointly controlled entity.

2. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable, 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 accounts 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 the other auditor.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of accounts 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 and on the basis of the reports of the statutory auditor of its jointly controlled entity incorporated in India, none of the director of these jointly controlled entities is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of internal financial controls over financial reporting of the Company and its jointly controlled entity and the operating effectiveness of such controls, refer to our separate report in **Annexure “B”** to this report. 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 Auditor’s) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company 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;

      ii. The Company including its jointly controlled entity did not have any material foreseeable losses on long-term contracts including derivative contracts;

      iii. There are 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

      iv. Proviso to Rule 3(1) of the Companies (Accounts) Rules 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 1st April, 2023 and accordingly, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules 2014 is not applicable for the Financial Year ended 31st March, 2023.

For **Sarath & Associates**
Chartered Accountants
Firm Regn. 05120S

Sd/-
CA V S Roop Kumar
Partner
M No. 213734
UDIN : 23213734BGWPBE2499

Date : 27.6.2023
Place : Hyderabad

ANNEXURE - "A"

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 OF MISHRA DHATU NIGAM LIMITED

(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date)

Report on the directions under section 143(5) of the Companies Act, 2013 by the Comptroller & 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, thus the data accuracy and integrity is 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 2022-23.	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;	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 2022-23.	NIL
3.	Whether funds received / receivable for specific schemes from central/state 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 2022-23, no funds were received by the Company for any specific schemes.	NIL

Our reports under Section 143(5) of the Act on the consolidated financial statements of Mishra Dhatu Nigam Limited., in so far as it relates to the joint venture of the Company, to which Section 143(5) of the Act is applicable, is based on the corresponding report of the auditor of such joint venture and information furnished by the management of such joint venture.

For **Sarath & Associates**
Chartered Accountants
Firm Regn. 05120S

Sd/-
CA V S Roop Kumar
Partner
M No. 213734
UDIN : 23213734BGWPBE2499

Date : 27.6.2023
Place : Hyderabad

ANNEXURE "B"

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 OF MISHRA DHATU NIGAM LIMITED

(Referred to in paragraph 2(f) under "Report on Other Legal and Regulatory Requirements" of our report to Members of Mishra Dhatu Nigam Limited of even date)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, 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 which are companies 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, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of consolidated 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:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company and its jointly controlled entity, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Sarath & Associates**
Chartered Accountants
Firm Regn. 05120S

Sd/-
CA V S Roop Kumar
Partner
M No. 213734
UDIN : 23213734BGWPBE2499

Date : 27.6.2023
Place : Hyderabad

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 2023

The preparation of consolidated financial statements of **Mishra Dhatu Nigam Limited, Hyderabad** for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) 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 revised Audit Report dated 27 June 2023which supersedes their earlier Audit Report dated 25 May 2023.

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 2023under 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 and 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.

In view of the revisions made in the Statutory auditor's report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to statutory auditors' report under section 143(6) (b) read with section 129(4)of the Act.

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

राजेश

(Rajesh Ranjan)
Principal Director of Audit (Defence-Commercial)

Place: Bengaluru
Date: 14 July 2023

Consolidated Balance Sheet

as at 31st March, 2023

(₹ in Lakh)

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
ASSETS:			
Non-current assets			
Property, Plant and Equipment	3	1,01,087.21	93,748.33
Capital work-in-progress	5	7,964.40	13,186.56
Intangible assets	4	463.00	100.42
Financial Assets			
(i) Investments	6	2,130.29	2,091.45
(ii) Loans	7	-	1.59
Non current tax assets (Net)	8	52.88	555.93
Other non-current assets	9	228.77	434.03
Total Non-Current Assets		**1,11,926.55**	**1,10,118.31**
Current assets:			
Inventories	10	1,22,484.37	1,09,149.16
Financial Assets			
(i) Trade receivables	11	31,579.89	30,630.83
(ii) Cash and cash equivalents	12	1,429.11	6,247.72
(iii) Bank balances [other than (ii) above]	13	12.43	10.43
(iv) Others	14	922.40	1,171.02
Other current assets	15	17,925.95	20,620.01
Total Current Assets		**1,74,354.15**	**1,67,829.17**
Total Assets		**2,86,280.70**	**2,77,947.48**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	16	18,734.00	18,734.00
Other Equity	17	1,09,805.60	1,00,219.28
Total Equity		**1,28,539.60**	**1,18,953.28**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	18	6,735.67	2,775.88
(ia) Lease Liabilities		8,132.68	7,975.07
(ii) Others	19	94.53	84.54
Provisions	20	184.60	162.81
Deferred tax liabilities (net)	21	3,957.46	3,517.17
Other non-current liabilities	22	58,545.29	64,264.72
Total Non-current liabilities		**77,650.23**	**78,780.19**
Current Liabilities			
Financial liabilities			
(i) Borrowings	23	31,999.63	23,981.88
(ia) Lease Liabilities		1,997.12	1,247.08
(ii) Trade payables	24		
(A) Micro enterprises and Small Enterprises		429.96	379.03
(B) Other than Micro enterprises and Small enterprises		15,499.37	17,209.13
(iii) Others	25	10,840.32	10,947.17
Other current liabilities	26	16,290.18	23,187.18
Provisions	27	3,034.29	3,262.54
Total Current Liabilities		**80,090.87**	**80,214.01**
Total Equity and Liabilities		**2,86,280.70**	**2,77,947.48**

The accompanying notes 1 to 50 form an integral part of the consolidated financial statements.

As per our report of even date

for **SARATH & ASSOCIATES**
Chartered Accountants
Firm's registration no. 005120 S

Sd/-
Shri V.S. Roop Kumar
Partner
Membership No. 213734

Place: Hyderabad
Date: 25.05.2023

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
Membership No. A29037

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2023

(₹ in Lakh)

Particulars	Note No.	For the Year ended 31st March, 2023	For the Year Ended 31st March, 2022
Income			
Revenue From Operations	28	87,194.14	85,949.02
Other Income	29	3,778.14	3,130.62
Total Income		**90,972.28**	**89,079.64**
Expenses			
Cost of material consumed	30	39,117.67	34,490.32
Change in inventories of finished goods, work-in-progress and stock-in-trade	31	(22,832.49)	(15,409.57)
Employee benefits expense	32	12,581.85	12,254.30
Finance Costs	33	2,573.21	2,149.97
Depreciation and amortization expense	3, 4	5,300.45	3,299.53
Other expenses	34	32,576.67	28,383.11
Total Expenses		**69,317.36**	**65,167.66**
Profit / (Loss) before exceptional items and tax		**21,654.92**	**23,911.98**
Exceptional Items - Income / (Expense)		-	-
Share of Profit / (Loss) of Joint Venture		38.84	30.96
Profit / (Loss) before tax		**21,693.76**	**23,942.94**
Tax expense			
Current Tax	35	5,611.76	6,141.41
Earlier Year Tax		15.26	-
MAT Credit Entitlement		-	-
Deferred Tax		440.29	139.80
Profit / (Loss) for the period		**15,626.45**	**17,661.73**
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		(10.34)	81.01
(ii) Income tax relating to items that will not be reclassified to profit or loss		2.60	(20.39)
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		(7.74)	60.62
Total Comprehensive Income for the period		**15,618.71**	**17,722.35**
(Comprising Profit / (Loss) and Other Comprehensive Income for the period)			
Earning per equity share (Amount in ₹)			
Basic (₹)		8.34	9.43
Diluted (₹)		8.34	9.43
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 consolidated financial statements.

As per our report of even date

for **SARATH & ASSOCIATES**
Chartered Accountants
Firm's registration no. 005120 S

Sd/-
Shri V.S. Roop Kumar
Partner
Membership No. 213734

Place: Hyderabad
Date: 25.05.2023

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
Membership No. A29037

Consolidated Statement of Changes in Equity

as at 31st March, 2023

A. Equity Share Capital

(1) As at 31st March, 2023

(₹ in Lakh)

Balance as at 01st April, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance as at 01st April, 2022	Changes in share capital during the F.Y. 2022-23	Balance as at 31st March, 2023
18,734.00	-	18,734.00	-	18,734.00

(2) As at 31st March 2022

(₹ in Lakh)

Balance as at 01st April, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at 01st April, 2021	Changes in share capital during the F.Y. 2021-22	Balance as at 31st March, 2022
18,734.00	-	18,734.00	-	18,734.00

B. Other Equity

(1) 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 01st 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 01st 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)
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**

Consolidated Statement of Changes in Equity

as at 31st March, 2023

(2) As at 31st March, 2022

(₹ 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 01st April, 2021	**8,770.75**	**79,575.87**	**32.87**	**88,379.49**
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance as at 01st April, 2021	**8,770.75**	**79,575.87**	**32.87**	**88,379.49**
Profit for the Period	17,661.73			17,661.73
Remeasurement of the net defined benefit liability / asset, net of tax effect			60.62	60.62
Dividends	(5,882.56)			(5,882.56)
Dividend Distribution Tax				-
Transfer to General Reserve	(10,300.00)	10,300.00		-
Balance as at 31st March, 2022	**10,249.92**	**89,875.87**	**93.49**	**100,219.28**

The accompanying notes 1 to 50 form an integral part of the consolidated financial statements.

As per our report of even date

for **SARATH & ASSOCIATES**
Chartered Accountants
Firm's registration no. 005120 S

Sd/-
Shri V.S. Roop Kumar
Partner
Membership No. 213734

Place: Hyderabad
Date: 25.05.2023

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
Membership No. A29037

Consolidated Statement of Cash Flow

for the year ended 31st March, 2023

(₹ in Lakh)

Particulars	For the Year ended 31st March, 2023	For the Year Ended 31st March, 2022
Cash flows from operating activities		
Profit/(loss) for the year (before tax)	21,683.42	24,023.95
Adjustments for:		
Share of Profit / Loss of Joint Venture	(38.84)	(30.96)
Depreciation expense	5,300.45	3,299.53
Finance costs	1,856.70	845.19
Interest on Lease Liability	716.51	1,304.78
Interest Income	(589.69)	(1,548.40)
Deferred Income from customer funded assets/Grant	(930.58)	(204.63)
Profit / Loss on sale of Fixed Assets	4.59	10.80
	28,002.56	**27,700.26**
Working capital adjustments:		
(Increase) decrease in inventories	(13,335.21)	(29,065.37)
(Increase) decrease in trade receivables and loans	(947.47)	8,016.73
(Increase) decrease in other financial assets	33.99	(105.09)
(Increase) decrease in other non-current assets	-	-
(Increase) decrease in other current assets	2,690.09	(4,445.83)
Increase (decrease) in trade payables	(1,658.83)	9,031.45
Increase (decrease) in other financial liabilities	(382.09)	64.23
Increase (decrease) in provisions	(118.50)	(331.53)
Increase (decrease) in non-current liabilities	(5,719.43)	371.30
Increase (decrease) in other current liabilities	(6,897.00)	(3,741.14)
Cash generated from operating activities	**1,668.11**	**7,495.01**
Income tax paid (net)	(5,209.33)	(6,983.75)
Net cash from(used in) operating activities (A)	**(3,541.22)**	**511.26**
Cash flow from investing activities		
Acquisition of property, plant and equipment (Net)	(7,285.29)	(9,048.65)
Deferred Income from customer funded assets/grant	930.58	204.63
Profit / Loss on sale of Fixed Assets	(4.59)	(10.80)
Investment in other projects	-	-
Interest received	804.32	1,337.69
Investment in fixed deposits	5,260.00	740.00
Net cash from/(used in) investing activities (B)	**(294.98)**	**(6,777.13)**
Cash flows from financing activities		
(Repayment)/Availment of borrowings	11,977.54	10,714.21
Dividend on shares	(6,034.39)	(5,885.50)
Lease Liability	907.65	1,187.67
Interest on Lease Liability	(716.51)	(1,304.78)
Interest paid	(1,856.70)	(845.19)
Net cash flow from (used in) financing activities (C)	**4,277.59**	**3,866.41**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	441.39	(2,399.46)
Cash and cash equivalents at 1 April	987.72	3,387.18
Cash and cash equivalents at the reporting date	**1,429.11**	**987.72**
Reconcilliation of cash and cash equivalents as per the balance sheet		
Cash and cash equivalents as per the cash flow statement	1,429.11	987.72
Other bank balances not considered above		
- Term Deposit	-	5,260.00
Cash and cash equivalents (including Term Deposits) at the reporting date	**1,429.11**	**6,247.72**

The accompanying notes 1 to 50 form an integral part of the consolidated financial statements.

As per our report of even date

for **SARATH & ASSOCIATES**
Chartered Accountants
Firm's registration no. 005120 S

Sd/-
Shri V.S. Roop Kumar
Partner
Membership No. 213734

Place: Hyderabad
Date: 25.05.2023

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
Membership 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.

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], 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.

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.

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 01st 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.

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 ₹ 5,000/-, 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.

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. Re-usable process scrap, process rejections and sales rejections with customers for return

At estimated realizable value for scrap.

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 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.

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.

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 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 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.

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. Further, the Company has only domestic turnover. 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.

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 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 Consolidated Financial Statements
for FY 2022-23

3. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakh)

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As at 1st April, 2022	Additions during the year	Deductions/ Adjustments during the year	As at 31st March, 2023	As at 1st April, 2022	Additions during the year	Deductions/ Adjustments during the year	As at 31st March, 2023	As at 31st 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	5,730.88
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	63,771.58
Furntiure and Fixtures	506.93	98.61	(0.08)	605.46	279.11	50.15	(0.06)	329.20	276.26
Vehicles	499.96	111.15	(0.02)	611.09	289.10	54.57	-	343.67	267.42
Office Equipment	1,267.73	262.85	149.63	1,680.21	833.98	182.77	(8.36)	1,008.39	671.82
Other (Electrical Installations)	1,975.06	1,213.69	(161.50)	3,027.25	774.98	232.70	-	1,007.68	2,019.57
Others (Roads and Bridges)	11.30	432.66	-	443.96	2.32	44.33	-	46.65	397.31
Right of Use Assets									
Buildings/Drainage/Water systems	4,679.97	-	-	4,679.97	309.70	149.76	-	459.46	4,220.51
Plant and Equipment	21,564.15	-	-	21,564.15	878.70	819.44	-	1,698.14	19,866.01
Other (Electrical Installations)	3,526.53	-	(0.18)	3,526.35	1,043.89	335.00	-	1,378.89	2,147.46
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**	**1,01,087.21**

* Includes Assets funded by ASL where no repayment exists.

(₹ in Lakh)

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As at 1st April, 2021	Additions during the year	Deductions/ Adjustments during the year	As at 31st March, 2022	As at 1st April, 2021	Additions during the year	Deductions/ Adjustments during the year	As at 31st March, 2022	As at 31st March, 2022
Land	1,718.39	-	-	1,718.39	-	-	-	-	1,718.39
Buildings/Drainage/Water systems	3,611.67	1,050.93	(0.81)	4,661.79	710.77	147.16	-	857.93	3,803.86
Plant and Equipment *	39,723.26	29,326.38	(29.67)	69,019.97	8,327.42	2,096.96	(10.64)	10,413.74	58,606.23
Furntiure and Fixtures	485.73	23.40	(2.20)	506.93	235.90	44.99	(1.78)	279.11	227.82
Vehicles	480.14	19.82	-	499.96	242.70	52.41	(6.01)	289.10	210.86
Office Equipment	1,130.25	146.55	(9.07)	1,267.73	662.23	171.75	-	833.98	433.75
Other (Electrical Installations)	1,461.24	513.97	(0.15)	1,975.06	605.63	169.47	(0.12)	774.98	1,200.08
Others (Roads and Bridges)	11.30	-	-	11.30	0.84	1.48	-	2.32	8.98
Right of Use Assets									-
Buildings/Drainage/Water systems	1,556.44	3,123.53	-	4,679.97	235.36	74.34	-	309.70	4,370.27
Plant and Equipment	3,211.62	18,352.53	-	21,564.15	582.79	295.91	-	878.70	20,685.45
Other (Electrical Installations)	1,829.35	1,697.18	-	3,526.53	829.90	213.99	-	1,043.89	2,482.64
Total	**55,219.39**	**54,254.29**	**(41.90)**	**1,09,431.78**	**12,433.54**	**3,268.46**	**(18.55)**	**15,683.45**	**93,748.33**

* Includes Assets funded by ASL where no repayment exists.

Notes to Consolidated Financial Statements
for FY 2022-23

1. Conveyance deeds for 275 acres and 35 guntas of Land acquired which are through various Allotment/Award Letters/GO's are yet be executed in the name of the Company. Most of them are allotted/granted by the undivided Govt. of AP earilier.

   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 ocupancy 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 ₹ 5,066.35 lakhs (31-Mar-2022 ₹ 4,984.60 lakhs) for R&D capital cost.

5 Company considered the salvage value as 5% of the Cost of Assets.

6 Principal Asset costing ₹ 100 lakhs 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 Useful life adopted by the Company for calculation of Depreciation in respect of the following assets are less than the useful life prescribed under Schedule II of the Companies Act, 2013.

The reduced useful life has been adopted in view of faster rate of wear and tear.

Category	Gross Block	Normal Depreciation		Higher Depreciation		Impact
		Life in Years	Amount ₹ in Lakh	Life in Years	Amount ₹ in Lakh	Amount ₹ in Lakh
Furniture	6.27	10	0.49	5	0.98	0.49
TOTAL	**6.27**		**0.49**		**0.98**	**0.49**
Previous Year	4.62		0.19		0.43	0.24

9 Refer Note 41(ii) for outstanding contractual commitments.

Notes to Consolidated Financial Statements
for FY 2022-23

4. INTANGIBLE ASSETS

(₹ in Lakh)

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As at 1st April, 2022	Additions during the year	Deductions/ Adjustments during the year	As at 31st March, 2023	As at 1st April, 2022	Additions during the year	Deductions/ Adjustments during the year	As at 31st March, 2023	As at 31st March, 2023
Computer Software	374.46	346.87	-	721.33	276.96	58.13		335.09	386.24
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**

(₹ in Lakh)

Particulars	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As at 1st April, 2021	Additions during the year	Deductions/ Adjustments during the year	As at 31st March 2022	As at 1st April, 2021	Additions during the year	Deductions/ Adjustments during the year	As at 31st March, 2022	As at 31st March, 2022
Computer Software	348.69	25.77	-	374.46	247.20	29.76	-	276.96	97.50
Copyrights & Patents and other intellectual property rights, services and operating rights	24.20	-	-	24.20	19.97	1.31	-	21.28	2.92
Total	**372.89**	**25.77**	**-**	**398.66**	**267.17**	**31.07**	**-**	**298.24**	**100.42**

Notes to Consolidated Financial Statements

for FY 2022-23

5. CAPITAL WORK-IN -PROGRESS

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Capital Work-in-Progress-Civil	1,600.44	2,231.82
Capital Work-in-Progress- Plant & Machinery Under Erection	5,870.38	8,326.88
Plant, Machinery & Equipment under Inspection & in Transit	493.58	2,627.86
Total	**7,964.40**	**13,186.56**

6. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
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	1,920.18	1,881.34
2,00,00,000 fully paid up Equity share of ₹ 10/- each		
Total	**2,130.29**	**2,091.45**

(*) 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

Particulars	Principal Activity and place of business	Proportion of ownership Interest/voting rights held by the Company	
		As at 31-03-2023	As at 31-03-2022
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 2022-23

Financial Information in respect of Joint Venture

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Non-current assets	1,011.04	950.04
Current assets	2,899.98	2,818.57
Non-current liabilities	-	-
Current liabilities	70.67	5.94
The above amounts of assets and liabilities includes the following:		
Cash and cash equivalents	2,826.32	2,732.06
Current financial liabilities (excluding trade payables and provisions)	-	-
Non-current financial liabilities (excluding trade payables and provisions)	-	-
Current liabilities	70.67	5.94

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Revenue	-	-
Profit or loss from continuing operations	77.68	61.92
Other comprehensive income for the year	-	-
Total comprehensive income for the year	77.68	61.92
The above profit / (Loss) for the year include the following:		
Depreciation and amortisation	10.44	8.04
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 31st March, 2023	As at 31st March, 2022
Net asset of the Joint Venture	3,840.35	3,762.67
Proportion of the Group's ownership interest in JV (%)	50%	50%
Proportion of the Group's ownership interest in JV (₹)	1,920.18	1,881.34
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	**1,920.18**	**1,881.34**
Carrying amount of the Group's interest in JV	**1,920.18**	**1,881.34**

Notes to Consolidated Financial Statements
for FY 2022-23

7. NON-CURRENT FINANCIAL ASSETS - LOANS

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured, considered good		
Loans to Vendors	-	1.59
Total	**-**	**1.59**

8. NON-CURRENT TAX ASSETS (NET)

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advance Income Tax	52.88	555.93
Total	**52.88**	**555.93**

9. OTHER NON-CURRENT ASSETS

(₹ in Lakh)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
Capital Advances				
Unsecured, considered good		228.77		434.03
Doubtful	35.46		35.46	
Less: Provision	35.46	-	35.46	-
Sub-Total		**228.77**		**434.03**
Others				
Doubtful Advances to supplier	22.52		22.52	
Less: Provision	22.52	-	22.52	-
Obsolete and slow moving -Raw material	370.72		256.06	
Less: Provision	370.72	-	256.06	-
Obsolete and slow moving -consumables	46.49		48.06	
Less: Provision	46.49	-	48.06	-
Obsolete and slow moving -spares	214.93		189.03	
Less: Provision	214.93	-	189.03	-
Total		**228.77**		**434.03**

Notes to Consolidated Financial Statements

for FY 2022-23

10. INVENTORIES

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Raw Materials and components	10,470.00	18,065.96
Raw Materials and components -in transit	2,427.47	3,964.72
Total	**12,897.47**	**22,030.68**
Work-in-progress #	75,870.87	59,680.82
Total	**75,870.87**	**59,680.82**
Finished goods	26.97	-
Finished goods in transit	148.14	124.99
Total	**175.11**	**124.99**
Stores and spares	648.91	652.02
Stores and spares -in transit	-	5.43
Total	**648.91**	**657.45**
Loose Tools	32.35	18.82
Total	**32.35**	**18.82**
Consumables	2,021.86	2,390.92
Consumables-in transit	-	-
Total	**2,021.86**	**2,390.92**
Internally generated Scrap/rejected material	30,837.80	24,245.48
Total	**30,837.80**	**24,245.48**
Grand Total	**1,22,484.37**	**1,09,149.16**

The Inventory does not include material held in trust on behalf of Customers and material issued by the Customers to MIDHANI for job works.

#Work in progress Include materials lying with sub-contractors ₹ 1,752.23 Lakhs (31.03.2022 ₹ 2,044.79 Lakhs) and is subject to confirmation of balance by sub-contractors.

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 31st March, 2023	As at 31st March, 2022
Trade Receivables		
Considered Good - Unsecured	31,641.08	30,651.75
Which have significant increase in Credit Risk	-	-
Credit Impaired	2,089.44	1,878.12
Total (A)	**33,730.52**	**32,529.87**
Less : Allowance for bad and doubtful debts		
Considered good - Unsecured (ECL)	(61.19)	(20.92)
Which have significant increase in Credit Risk	-	-
Credit Impaired	(2,089.44)	(1,878.12)
Total (B)	**(2,150.63)**	**(1,899.04)**
Grand Total (A-B)	**31,579.89**	**30,630.83**

Notes to Consolidated Financial Statements
for FY 2022-23

Trade Receivables ageing schedule

(₹ in Lakh)

Particulars	Outsanding for following periods from due date of payment					
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Recievables - Considered good	23,623.07	1,699.46	5,282.83	568.74	466.98	31,641.08
(ii) Undisputed Trade Receivables - which have significant increase in Credit Risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	1,162.55	154.93	182.50	171.34	418.12	2,089.44
(iv) Disputed Trade Receivables - Considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant incease 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

Particulars	Expected credit loss	
	As at 31st March, 2023	As at 31st March, 2022
Within Credit the Period	0.00%	1.13%
Upto 3 months	0.00%	1.33%
3-6 months	1.09%	6.02%
6-9 months	10.42%	18.07%
9-12 months	100.00%	69.74%
>12 months	100.00%	100.00%
Specific Provision (₹ In Lakhs) relating to Defence, Govt and PSU customer dues	587.15	335.58
Specific Provision (₹ In Lakhs) relating to Defence, Govt, PSU, Private customer dues (LD)	1,502.29	1,542.54

(₹ in Lakh)

Age of receivables	As at 31st March, 2023	As at 31st March, 2022
Private Customers -Unsecured		
Within Credit the Period	973.23	1,101.45
Upto 3 months	422.52	585.00
3-6 months	0.48	-
6-9 months	3.16	0.32
9-12 months	54.40	0.03
>12 months	6.42	0.64
Private Customers -secured	7.18	17.50
Defence, Govt and PSU customer dues	32,263.13	30,824.93

Notes to Consolidated Financial Statements
for FY 2022-23

Movement in Provision made against Trade Receivables

(₹ in Lakh)

Particulars	Total
Loss allowance as on 31st March, 2022	**1,899.04**
Changes in loss allowance	251.59
Loss allowance as on 31st March, 2023	**2,150.63**

12. CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balances with Banks		
In Current Accounts	1,427.53	985.61
In Deposit Accounts #	-	5,260.00
Cash on hand	1.58	2.11
Total	**1,429.11**	**6,247.72**

Balances in deposit accounts represents term deposits with maturities of one year or less and can be liquidated as and when required by the Company, hence classified as cash and cash equivalents.

13. CURRENT FINANCIAL ASSETS - BANK BALANCES [OTHER THAN (NOTE 12) ABOVE]

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unpaid Dividend	12.43	10.43
Total	**12.43**	**10.43**

14. CURRENT FINANCIAL ASSETS - OTHERS

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Loans and advances to employees	42.19	25.76
Claims receivable	54.97	143.75
Deposits with others	825.24	752.87
Interest accrued on bank deposits	-	214.63
Loans to Vendors	-	34.01
Total	**922.40**	**1,171.02**

Notes to Consolidated Financial Statements

for FY 2022-23

15. OTHER CURRENT ASSETS

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Assets held for disposal	16.76	20.73
Prepaid expenses	263.13	241.83
GST/Customs duty receivable	17,434.93	20,238.67
Others		
Unsecured, considered good		
Advance to suppliers	211.13	118.78
Total	**17,925.95**	**20,620.01**

16. EQUITY SHARE CAPITAL

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
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**
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:

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	Amount (₹ in Lakh)	No. of Shares	Amount (₹ in Lakh)
Outstanding as at Opening Date	18,73,40,000	18,734.00	1,87,340,000	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**

Notes to Consolidated Financial Statements

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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

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	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	1,45,31,611	7.76%	14,67,9,407	7.84%

Details of Shareholding of Promoters

Shares held by promoters as on 31st March 2023				% Change during the year
S. No.	Promoter Name	No. of Shares	% of Total shares	
1	President of India	13,86,31,600	74%	-

17. OTHER EQUITY

(₹ in Lakh)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
General Reserve				
Opening Balance		89,875.87		79,575.87
Less: Depreciation adjustment		-		-
		89,875.87		79,575.87
Add: Additions during the year		10,000.00		10,300.00
Sub-total		**99,875.87**		**89,875.87**
Retained Earnings				
Opening Balance		10,249.92		8,770.75
Add: Amount transferred from statement of profit and loss		15,626.45		17,661.73
Amount available for appropriation		25,876.37		26,432.48
Less: Appropriations				
Interim Dividend	3,147.32		2,922.53	
Final Dividend	2,885.07		2,960.03	
Transferred to General Reserve	10,000.00	16,032.39	10,300.00	16,182.56
Sub-total		**9,843.98**		**10,249.92**
Components of other comprehensive income				
Opening Balance		93.49		32.87
Add: Remeasurement of the net defined benefit liability / asset, net of tax effect		(7.74)		60.62
Sub-total		**85.75**		**93.49**
Total		**1,09,805.60**		**1,00,219.28**

Notes to Consolidated Financial Statements
for FY 2022-23

18. NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Secured		
Term Loans		
from Banks	6,735.67	2,775.88
(Secured by way of Hypothecation of Machinery Purchased out of Term Loan)		
(Excluding ₹ 2000.00 lakh (31.03.2022 - ₹ Nil) 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	**6,735.67**	**2,775.88**

19. NON-CURRENT FINANCIAL LIABILITIES - OTHERS

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deposit under MEFBS-2021	94.53	84.54
Total	**94.53**	**84.54**

20. NON-CURRENT LIABILITIES - PROVISIONS

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits		
Provision for gratuity	135.73	119.04
Provision for compensated absences	48.87	43.77
Total	**184.60**	**162.81**

21. DEFERRED TAX LIABILITIES (NET)

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred Tax Liabilities		
On Depreciation	4,671.50	4,070.37
Sub Total	**4,671.50**	**4,070.37**
Deferred Tax Assets		
On Provision	701.74	542.18
On Disallowance as per IT Act	12.30	11.02
Sub Total	**714.04**	**553.20**
Total	**3,957.46**	**3,517.17**

Notes to Consolidated Financial Statements
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Movement in deferred tax

(₹ in Lakh)

Particulars	Closing Balance 31-Mar-2022	Charge/Credit during the year 2022-23	Closing Balance 31-Mar-2023
Deferred Tax Assets			
Provision for Non Moving Stores	124.12	34.97	159.09
Provisions for Doubtful Debts	89.72	73.45	163.17
Provisions for Doubtful Adv / Claims	5.67	-	5.67
Provision for Contingencies & Warranty	190.21	8.41	198.62
AMTL Leave Provision	11.02	1.28	12.30
Provison for Others	27.69	-	27.69
OFB-Melt-IV Interest Differences (Net)	62.79	8.71	71.50
VSSC Interest Differences (Net)	-	-	-
OFB-WPM Interest Differences (Net)	41.98	34.02	76.00
Total Assets	**553.20**	**160.84**	**714.04**
Deferred Tax Liability			
Depreciation	4,070.37	601.13	4,671.50
Total Liability	**4,070.37**	**601.13**	**4,671.50**
Net Liability	**3,517.17**	**440.29**	**3,957.46**

22. OTHER NON-CURRENT LIABILITIES

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advances		
Advances from Customers	17,786.41	24,220.29
Others		
Material Received on Loan - Kaveri Project	-	29.46
Other Liabilities - VSSC	54.72	54.72
Other Liabilities - OFB	43.00	43.00
Advances Others	64.57	64.57
Deferred Income	40,596.59	39,852.68
Total	**58,545.29**	**64,264.72**

Notes to Consolidated Financial Statements
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23. CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Secured		
Loans repayable on demand		
From Banks		
Cash Credit	(0.37)	(0.09)
(By hypothecation of Raw materials, stock in process, finished good and book debts.)		
From various banks-short term overdraft secured by pledge of fixed deposits	-	(18.03)
Secured by Fixed Deposits of ₹ Nil (31.03.2022 Nil)		
Unsecured		
From Banks		
Short Term Loans	30,000.00	24,000.00
Current Maturities of Long Term Debt	2,000.00	-
Total	**31,999.63**	**23,981.88**

24. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Micro & Small Enterprises	429.96	379.03
Others @	15,499.37	17,209.13
Total	**15,929.33**	**17,588.16**

@ 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				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	429.96	-	-	-	429.96
(ii) Others	14,347.88	484.55	317.89	349.05	15,499.37
(iii) Disputed dues - MSME	-		-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

Notes to Consolidated Financial Statements
for FY 2022-23

25. CURRENT FINANCIAL LIABILITIES - OTHERS

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Earnest money deposit	-	10.68
Security Deposit	175.87	204.98
Liabilities to customers	1,016.47	1,086.49
Capital creditors	8,098.26	7,813.03
Employee payables	1,537.29	1,821.56
Unpaid Dividend	12.43	10.43
Total	**10,840.32**	**10,947.17**

26. OTHER CURRENT LIABILITIES

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advances received from customers	11,856.63	16,145.88
Liabilities for Customer Financed projects	502.69	3,036.60
Material Received on Loan - Others	3,790.65	3,790.65
Statutory liabilities	140.21	214.05
Total	**16,290.18**	**23,187.18**

27. CURRENT - PROVISIONS

(₹ in Lakh)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits		
Provision for compensated absences	265.23	172.88
Provision for gratuity	200.36	115.62
Provision for post retirement medical scheme	162.40	163.03
Provision for other employee benefits	1,466.99	1,817.16
Other Provisions		
Provision for contingencies and warranty	789.18	755.76
Provision for Income Tax	40.09	128.05
Other provisions	110.04	110.04
Total	**3,034.29**	**3,262.54**

Notes to Consolidated Financial Statements

for FY 2022-23

Movement in Provisions (Short term and Long term)

(₹ in Lakh)

Particulars	As at 01.04.2022	Additions	Utilization	Reversal	As at 31.03.2023
Compensated absences	216.65	270.33	172.88	-	314.10
Gratuity	234.66	217.05	115.62	-	336.09
Post retirement medical scheme	163.03	162.4	163.03	-	162.40
Contingencies and Warranty	755.76	33.42	-	-	789.18
Others	1,927.20	650.00	1,000.17	-	1,577.03
Total	**3,297.30**	**1,333.20**	**1,451.70**	**-**	**3,178.80**

28. REVENUE FROM OPERATIONS

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
Sale of Manufacturing Products	79,097.37	74,254.30
Less : Sale of trial run production (Transferred to CWIP)	-	109.56
	79,097.37	**74,144.74**
Export Sales	3,744.53	8,702.16
Sale of Services	2,145.70	850.84
Other Operating Revenues	2,206.54	2,251.28
Total	**87,194.14**	**85,949.02**

29. OTHER INCOME

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
Interest Income		
From Banks	33.26	420.36
From Others	556.43	1,128.04
Liquidated Damages	1,004.94	571.16
Exchange rate variance	-	40.10
Net gain on sale of Fixed Assets	0.06	0.16
Income from Sale of Unserviceable Scrap	269.55	127.65
Excess Liabilities written back	695.78	428.39
Grant Income	930.58	204.63
Other miscellaneous income	287.54	210.13
Total	**3,778.14**	**3,130.62**

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for FY 2022-23

Details of other miscellaneous income

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
Sale of Application Forms (Personnel)	0.35	15.97
Others	287.19	194.16
Total	**287.54**	**210.13**

30. COST OF MATERIAL CONSUMED

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
Cost of Material for manufactured products	39,117.67	34,490.32
Total	**39,117.67**	**34,490.32**

31. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
Opening Stock		
Work-in-progress	59,680.82	46,233.18
Finished Stock	124.99	648.90
Scrap	24,245.48	21,759.64
	84,051.29	**68,641.72**
Closing Stock		
Work-in-progress	75,870.87	59,680.82
Finished Stock	175.11	124.99
Scrap	30,837.80	24,245.48
	106,883.78	**84,051.29**
(Increase) / Decrease		
Work-in-progress	(16,190.05)	(13,447.64)
Finished Stock	(50.12)	523.91
Scrap	(6,592.32)	(2,485.84)
Total	**(22,832.49)**	**(15,409.57)**

Notes to Consolidated Financial Statements
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32. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
Salaries & Wages		
Salaries & Wages	8,671.55	8,375.76
Leave Encashment	427.01	346.68
Directors remuneration	183.88	123.94
Contribution to Provident and other Funds		
Contribution to provident fund	701.64	687.73
Employees Gratuity	199.92	205.97
Leave salary and pension contribution	358.58	378.05
Staff Welfare & Training		
Workmen and staff welfare expense	2,039.27	2,136.17
Total	**12,581.85**	**12,254.30**

(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	2022-23	2021-22
In Income Statement	194.73	200.56
In Other Comprehensive Income	10.34	(81.01)
Net Liability	**205.07**	**119.55**

Assets and Liability (Balance Sheet Position)

(₹ in Lakh)

Particulars	2022-23	2021-22
Present Value of Obligation	2,934.50	3,329.05
Fair Value of Plan Assets	2,734.14	3,213.43
Surplus / (Deficit)	(200.36)	(115.62)
Effects of Asset Ceiling, if any	-	-
Net Assets / (Liability)	**(200.36)**	**(115.62)**

Notes to Consolidated Financial Statements
for FY 2022-23

Changes in the Present Value of Obligation

(₹ in Lakh)

Particulars	2022-23	2021-22
Present Value of Obligation as at beginning	3,329.05	3,595.65
Current Service Cost	186.41	184.24
Interest Expense or Cost	239.52	242.53
Re-measurement (or Actuarial) (gain) / loss arising from:	-	-
- change in demographic assumptions	-	-
- change in financial assumptions	(62.36)	(110.51)
- experience variance (Actual Vs assumptions)	49.56	31.95
Past Service Cost	-	-
Effect of change in foreign exchange rates	-	-
Benefits Paid	(807.69)	(614.81)
Acquisition Adjustment	-	-
Effect of business combinations or disposals	-	-
Present Value of Obligation as at the end	**2,934.50**	**3,329.05**

Bifurcation of net liability

(₹ in Lakh)

Particulars	2022-23	2021-22
Current Liability (Short term)	-	-
Non-Current Liability (Long term)	200.36	115.62
Net Liability	**200.36**	**115.62**

Changes in the Fair Value of Plan Assets

(₹ in Lakh)

Particulars	2022-23	2021-22
Fair Value of Plan Assets as at the beginning	3,213.43	3,353.80
Investment Income	231.20	226.22
Employer's Contribution	120.34	245.78
Expenses	-	-
Employee's Contribution	-	-
Benefits Paid	(807.69)	(614.81)
Return on plan assets , excluding amount recognised in net interest expense	(23.14)	2.44
Acquisition Adjustment	-	-
Fair Value of Plan Assets as at the end	**2,734.14**	**3,213.43**

Notes to Consolidated Financial Statements
for FY 2022-23

Expenses Recognised in the Income Statement

(₹ in Lakh)

Particulars	2022-23	2021-22
Current Service Cost	186.41	184.24
Past Service Cost	-	-
Loss / (Gain) on settlement	-	-
Expected return on Asset	-	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	8.32	16.31
Actuarial Gain/Loss	-	-
Expenses Recognised in the Income Statement	**194.73**	**200.55**

Other Comprehensive Income

(₹ in Lakh)

Particulars	2022-23	2021-22
Actuarial (gains) / losses		
- change in demographic assumptions	-	-
- change in financial assumptions	(62.36)	(110.51)
- experience variance (i.e. Actual experience vs assumptions)	49.56	31.95
- others	-	-
Return on plan assets, excluding amount recognized in net interest expense	23.14	(2.44)
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	**10.34**	**(81.00)**

Actuarial assumptions

Particulars	2022-23	2021-22
Discount rate (per annum)	7.45%	7.20%
Salary growth rate (per annum)	8.00%	8.00%

Demographic assumptions

Particulars	2022-23	2021-22
Mortality rate	100.00%	100.00%
Withdrawal rate (per annum)	Upto 3% based on age	Upto 3% based on age

Notes to Consolidated Financial Statements
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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-23		31-Mar-22	
Defined Benefit Obligation (Base)	2,934.50		3,329.05	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	3,201.24	2,708.02	3,587.44	3,108.84
(% change compared to base due to sensitivity)	9.1%	-7.7%	7.8%	-6.6%
Salary Growth Rate (- / + 1%)	2,790.38	3,086.70	3,196.85	3,471.25
(% change compared to base due to sensitivity)	-4.9%	5.2%	-4.0%	4.3%
Attrition Rate (- / + 1%)	2,873.53	2,982.75	3,283.08	3,364.86
(% change compared to base due to sensitivity)	-2.1%	1.6%	-1.4%	1.1%
Mortality Rate (- / + 10%)	2,933.01	2,935.98	3,327.81	3,330.29
(% change compared to base due to sensitivity)	-0.1	0.1	0.0%	0.0%

Expected cash flows over the next (valued on undiscounted basis):

(₹ in Lakh)

1 year	431.48
2 to 5 years	1,292.99
6 to 10 years	956.25
More than 10 years	4,177.40

(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.

Notes to Consolidated Financial Statements

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Bifurcation of net liability

(₹ in Lakh)

Particulars	31-Mar-23	31-Mar-22
Current Liability (Short term)	301.52	434.80
Non-Current Liability (Long term)	2,491.02	2,271.29
Net Liability	**2,792.54**	**2,706.09**

(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 31st March, 2023	For the Year Ended 31st March, 2022
Interest expense		
Cash Credit	105.44	47.02
Short Term Overdrafts	3.44	94.86
Interest expenses on Lease Liability	716.51	1,304.78
Interest - Others	0.27	24.87
Interest - Term Loan	1,747.55	463.38
Discount on issue of Commercial Paper	-	215.06
Total	**2,573.21**	**2,149.97**

34. OTHER EXPENSES

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
Travelling Expenses		
Travelling and conveyance	282.39	136.08
Hire of cars	37.43	20.78
Communication Expenses		
Postage & telephone	42.70	45.71
Repairs & maintenance expenses		
Buildings	700.26	528.56
Plant and machinery	699.20	476.16
Others	198.45	151.97

Notes to Consolidated Financial Statements
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(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
Rent, rates & taxes		
Rates and taxes	8.70	19.85
Rent	39.40	42.03
Printing and stationery		
Printing and stationery	11.98	8.50
Office maintenance expenses		
Security guard charges	789.16	922.58
Administration expenses-Others	192.30	318.11
Power & fuel		
Power and fuel	10,081.45	6,126.31
Sub-contractor expenses		
Sub-contractor expenses	9,329.80	12,247.62
General expenses		
CSR Expenses	393.42	481.46
Bad debts written off	53.50	51.57
Fixed Assets written off	4.65	10.96
Sales schemes	2,079.67	1,906.29
Library books	0.05	0.49
News paper and journals	0.71	0.59
Membership fees	20.04	12.71
Training expenses	19.05	18.37
Entertainment/courtesy expenses	2.81	2.04
Hostel/guest house expenses net of income	33.53	31.28
Business promotion expenses	406.00	78.70
Directors sitting fees	8.35	0.85
Factory expenses	144.71	127.65
Advertisement	76.99	75.63
Water charges	197.96	174.98
Consumption of stores, loose tools and spare parts		
Consumption of stores, loose tools and spare parts	5,459.65	3,223.80
Insurance expenses		
Insurance	272.29	224.97
Professional charges		
Legal and professional fees	11.85	16.32
Internal Audit Fee	5.09	5.78
Consultancy charges	201.53	115.11
Contract professionals expenses	18.86	16.22
R& D Expenses		
R & D Contribution	30.37	1.02
Exchange fluctuation		
Exchange rate variance charged off	129.99	-

Notes to Consolidated Financial Statements

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(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
Auditors remuneration		
Auditor's remuneration	10.65	10.65
Finance & bank charges		
Bank charges	117.48	106.80
Provision for non moving inventories	138.98	211.87
Provision for Bad debts		
Provision for Doubtful Debts	291.84	137.59
Provision for Contingencies & Warranty		
Provision for Contingencies & Warranty	33.43	196.15
Provision - Others	-	99.00
Total	**32,576.67**	**28,383.11**

The Details of R&D Expenditure included in the natural head of accounts are as follows:

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
Consumption of materials	1,145.09	206.26
Conversion costs	447.84	133.19
Other Expenditure	321.73	292.82
R & D Contribution	30.37	49.52
Total	**1,945.03**	**681.79**

Remuneration and other payments to the auditor

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
Auditor		
(a) Statutory Audit & Limited Review	9.25	9.25
(b) Tax Audit	1.40	1.40
Total	**10.65**	**10.65**

Details of Corporate Social Responsibility

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2023	For the Year Ended 31st March, 2022
Promoting Education	61.65	164.58
Protection of Environmental & Ecology balancing Projects	-	-
Promotion of Health	207.63	267.03
Other Projects	124.14	49.85
Total	**393.42**	**481.46**

Notes to Consolidated Financial Statements

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Additional details of Corporate Social Responsibility (CSR)

(₹ in Lakh)

Sl. No.	Particulars	For the Year Ended 31st March, 2023
(i)	Amount required to be spent by the company	414.33
(ii)	Amount of expenditure incurred	393.42
(iii)	Shortfall at the end of the year	20.91
(iv)	Total of previous years shortfall (For F.Y. 2021-22)	Nil
(v)	Reason for shortfall	Shortfall of expenditure pertains to an ongoing project which will be paid during the next financial year. This amount has been transferred to an unspent account as per the rules.
(vi)	Nature of CSR activities	Promote Education, Skill development, Promote culture, Social and Sport activities, Promote health activities.
(vii)	Details of related party transactions	A Trust by name MIDHANI Primary Health Care Centre (MPHCC) has been constituted by the Company for catering Health care services to the local public. In F.Y. 2022-23, Company has spent ₹ 133.55/- lakh towards infrastructure, Salaries, Equipment, Medicines, etc. Out of which ₹ 26.18/- 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 31st March, 2023	For the Year Ended 31st March, 2022
Current tax		
Current tax on profits for the year	5,609.16	6,161.80
Earlier year tax	15.26	-
	5,624.42	**6,161.80**
Deferred tax		
Decrease (increase) in deferred tax liabilities	(440.29)	(139.80)
Total income tax expense	**6,064.71**	**6,301.60**

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(b) Reconciliation of tax expense and the accounting profit multiplied India's tax rate

(₹ in Lakh)

Particulars	For the Year Ended 31st March, 2023		For the Year Ended 31st March, 2022	
Profit before tax		**21,644.58**		**23,992.99**
Tax at Indian tax rate of 25.168%		5,447.50		6,038.56
Add:				
Depreciation under Companies Act	5,300.45		3,299.53	
Disallowances under Sec 43B	-		-	
Provision for Doubtful Debts	291.84		137.59	
Provision for non moving stores and spares	138.98		211.87	
R&D expenditure	-		-	
Provision for contingency & warranty	33.43		196.15	
Provision for obselete items	-		-	
Provision for doubtful claims	-		-	
CSR Expenses	393.42		481.46	
OFB Deferred Exp (Net-off)	34.63		35.19	
VSSC Deferred Exp (Net-off)	-		(16.79)	
OFB-WPM Deferred Exp (Net off)	135.15		166.80	
AMTL Leave Provision	5.10		12.33	
Provision for Others	-		99.00	
Provision for advance to suppliers	-		-	
Others	(185.71)		(409.09)	
	6,147.29		**4,214.04**	
Less:				
Earlier years liability discharged in the current year	-		-	
Donations 80G - Akshaya Patra Foundation	-			
Depreciation as per IT Act	5,506.57		3,729.40	
R & D weighted deductions	-		-	
	5,506.57		**3,729.40**	
Taxable Income	**640.72**	161.26	**484.64**	121.97
Tax Liability		5,608.76		6,160.53
Interest		0.40		1.27
Earlier Year Tax		15.26		-
MAT Credit Entitlement		-		-
Deferred Tax		440.29		139.80
Total		**6,064.71**		**6,301.60**

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Financial instruments

36. Fair value measurements

A. Financial instruments by category

(₹ in Lakh)

Particulars	31st March, 2023				31st March, 2022			
	FVPL	FVOCI	Amortized Cost	Total	FVPL	FVOCI	Amortized Cost	Total
Financial assets								
Trade receivables	-	-	31,579.89	31,579.89	-	-	30,630.83	30,630.83
Cash and cash equivalents	-	-	1,441.54	1,441.54	-	-	6,258.15	6,258.15
Loans	-	-	-	-	-	-	1.59	1.59
Other financial assets	-	-	922.40	922.40	-	-	1,171.02	1,171.02
Total	**-**	**-**	**33,943.83**	**33,943.83**	**-**	**-**	**38,061.59**	**38,061.59**
Financial liabilities								
Borrowings	-	-	38,735.30	38,735.30	-	-	26,757.76	26,757.76
Trade payables	-	-	15,929.33	15,929.33	-	-	17,588.16	17,588.16
Lease Liabilities	-	-	10,129.80	10,129.80	-	-	9,222.15	9,222.15
Other financial liabilities	-	-	10,934.85	10,934.85	-	-	11,031.71	11,031.71
Total	**-**	**-**	**75,729.28**	**75,729.28**	**-**	**-**	**64,599.78**	**64,599.78**

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, 2023, March 31, 2022 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, 2023, March 31, 2022 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

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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.

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 neglible 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, 2022	1,899.04
Changes in loss allowance	251.59
Loss allowance on 31st March, 2023	2,150.63

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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.

At March 31, 2023, the maximum exposure to credit risk for trade receivables by geographic region was as follows.

Particulars	Carrying amount (₹ in Lakh)	
	March 31, 2023	March 31, 2022
India	32,515.18	29,654.41
Outside India	1,215.34	2,875.46
	33,730.52	**32,529.87**

At March 31, 2023, the maximum exposure to credit risk for trade receivables by type of counterparty was as follows:

Particulars	Carrying amount (₹ in Lakh)	
	March 31, 2023	March 31, 2022
Government, Government undertakings and other secured debts	32,263.13	30,824.93
Others	1,467.39	1,704.94
	33,730.52	**32,529.87**

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 ₹ 1,429.11 Lakh at March 31, 2023 (March 31, 2022: ₹ 6,247.72 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.

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.

Notes to Consolidated Financial Statements

for FY 2022-23

(₹ in Lakh)

Contractual maturities of financial liabilities							
31st March, 2023	**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**
Non derivatives							
Borrowings (Current and Non-current)	10499.63	20,500.00	1,000.00	2,000.00	4,735.67		38,735.30
Trade payables	15,499.56	329.01	100.76				15,929.33
Lease Liabilities	1,974.59	7.51	15.02	32.73	117.08	7,982.87	10,129.80
Other financial liabilities	1,549.72	8,274.13	1,016.47			94.53	10,934.85
Total non-derivative liabilities	**29,523.50**	**29,110.65**	**2,132.25**	**2,032.73**	**4,852.75**	**8,077.40**	**75,729.28**

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 7.25% 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 7.25 percent (2022: 7.15 percent).

Notes to Consolidated Financial Statements
for FY 2022-23

The Company's debt to adjusted capital ratio at the end of the reporting period was as follows:

(₹ in Lakh)

Particulars	As at 31st March 2023
Total liabilities	1,57,741.10
Less : Cash and cash equivalent	1,429.11
Adjusted net debt	**1,56,311.99**
Total equity	1,28,539.60
Less : Hedging reserve	-
Adjusted equity	**1,28,539.60**
Adjusted net debt to adjusted equity ratio	1.22

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

Parent entity

Name	Type	Place of incorporation	Ownership interest	
			31-Mar-23	31-Mar-22
The President of India	Holding Company	India	74%	74%

Transactions with key management personnel

Key management personnel compensation

(₹ in Lakh)

Name of the party	31st March, 2023					31st March, 2022
	Salaries & wages	PF & EPS	Gratuity	Leave encashment	Total	Total
(a) Dr. Sanjay Kumar Jha, C&MD	74.67	7.10	-	-	81.77	82.72
(b) Shri N Gowri Sankara Rao, Director (F)	48.80	5.47	-	-	54.27	41.22
(c) Shri T. Muthukumar, Director (P & M) (W.e.f. -June-2022)	42.30	5.54	-	-	47.84	-
(d) Shri Paul Antony, CS	17.37	1.96	-	-	19.33	16.85
Total	**183.14**	**20.07**	**-**	**-**	**203.21**	**140.79**

Notes to Consolidated Financial Statements

for FY 2022-23

41. Contingent liabilities and commitments (to the extent not provided for)

Particulars	31st March, 2023 (₹ in Lakh)	31st March, 2022 (₹ in Lakh)
(i) Contingent liabilities		
Claims against the company not acknowledged as debt	10,887.33	9,761.22
Bank Guarantees	2,710.14	3,045.51
Letter of credit outstanding	7,567.48	8,639.98
Provisional Liquidated Damages on unexecuted customer order where the delivery date has expired	3,624.00	5,526.00
	24,788.95	**26,972.71**

Particulars	31st March, 2023 (₹ in Lakh)	31st March, 2022 (₹ in Lakh)
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Capital commitments)	7,576.31	13,450.93
	7,576.31	**13,450.93**

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	31st March, 2023	31st March, 2022
Profit attributable to equity holders of the Company (₹ in Lakh)	15,626.45	17,661.73
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)	8.34	9.43

43. Imported Consumption

Particulars	31st March 2023 (₹ in Lakh)	31st March 2022 (₹ in Lakh)
Raw Material	32,582.15	30,471.74
Consumables and Spares	518.06	361.75
Total	**33,100.21**	**30,833.49**

44. The Company has used the borrowings from banks for the specific purpose for which it was taken as at 31st March, 2023 and 31st March, 2022.

Notes to Consolidated Financial Statements

for FY 2022-23

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 lesses 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 (₹ 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	Resaon 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	Not Applicable				
	Building					
PPE retired from active use and held for disposal	Land	Not Applicable				
	Building					
Others		Not Applicable				

(ii) During the year, the Company has not revalued its Property, Plant and Equiment 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 serverally or jointly with any other person.

(iv) Capital-Work-in Progress (CWIP) ageing schedule.

(₹ in Lakh)

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	5,860.33	1,248.36	-	855.71	**7,964.40**
Projects temporarily suspended	-	-	-	-	**-**

Notes to Consolidated Financial Statements
for FY 2022-23

(v) The quarterly returns or statements of current assets filed by the Company with banks where the Company has borrowings as on 31st March, 2023 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	31st March, 2023	31st March, 2022	% of variance	Reason for variance (For more than 25 %)
Current Ratio	Current Assets	Current Liabilities	2.18	2.09	4.31%	
Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.30	0.22	36.36%	Increase in Working capital loan and availment of CAPEX Loan
Debt Service Coverage Ratio	EBITDA	Debt service(Interest & Principal repayments)	0.72	1.02	-29.41%	Increase in Working capital loan and availment of CAPEX Loan
Retrun on Equity (%)	Net profit after tax	Average Shareholder's Equity	12.63%	15.63%	-19.19%	
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	0.57	0.66	-13.64%	
Trade Receivable Turnover Ratio	Net Credit Sales	Average Trade Receivables	2.80	2.48	12.90%	
Trade Payable Turnover Ratio	Net Credit Purchases	Average Trade Payables	2.09	3.93	-46.82%	Reduction in Purchase of Raw Material
Net Capital Turnover Ratio	Net Sales	Working capital	0.93	0.98	-5.10%	
Net Profit Ratio (%)	Net profit after tax	Net Sales	17.92%	20.55%	-12.80%	
Return on Capital Employed (%)	EBIT	Capital Employed	17.43%	20.83%	-16.32%	
Retrun on Investment (%)			Not applicable			

46. As at 31st March, 2023, 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 Consolidated Financial Statements
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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.

49. Disclosure of additional information

(a) As at and for the year ended 31st March, 2023

(₹ in Lakh)

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%	3840.35	0.25%	38.84	0.00%	-	0.25%	38.84

(b) As at and for the year ended 31st March, 2022

(₹ in Lakh)

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	3.16%	3762.67	0.18%	30.96	0.00%	-	0.17%	30.96

Notes to Consolidated Financial Statements
for FY 2022-23

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 Venture	**Joint Venture**
	Utkarsha Aluminium Dhatu Nigam Limited
1. Latest audited Balance Sheet Date	31.03.2023
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 (₹)	19,20,18,000
6. Profit / (Loss) for the year (₹)	
i. Considered in Consolidation	38,84,000.00
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.

As per our report of even date

Sd/-
for **SARATH & ASSOCIATES**
Chartered Accountants
Firm's registration no. 005120 S

Sd/-
Shri V.S. Roop Kumar
Partner
Membership No. 213734

Place: Hyderabad
Date: 25-05-2023

Notes

Notes

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