



41st

ANNUAL REPORT

2014-2015

MISHRA DHATU NIGAM LIMITED

(A Govt. of India Enterprise, Ministry of Defence)

CIN U14292TG1973GOI001660



Chairman's Message

(Chairman & Managing Director till 31.08.2015)



I am very happy to bring out the 41st Annual report for the year 2014-15 of Mishra Dhatu Nigam Limited (MIDHANI) bringing out the significant achievements and future strategies adopted for sustainability in the company's performance. In view of my superannuation on 31st August 2015, this will be my last report as Chairman & Managing Director, MIDHANI.

During the year 2014-15, the company has achieved ₹ 656 Cr of annual sales, an increase of 16.52 % over the last year's sales turnover of ₹ 563 Cr, and made highest ever PBT of ₹ 139 Cr. With this, the Company could achieve 'Excellent' rating in MOU consecutively in last 3 years.

Over the last four years, strategies were adopted to expand production facilities in the Company's core competence areas such as melting, refining and hot working processes. I take immense pleasure in informing you that the latest state of the art and advanced melting technology furnaces for refining / melting by Electron Beam Melting of reactive materials Viz. Niobium, Hafnium, Tantalum etc. have been commissioned. The commissioning of new Melt Shop consisting of 20T Electric Arc Furnace (EAF), Ladle Refining Furnace (LRF) and Vacuum Degassing (VD)/Vacuum Oxygen Decarburization (VOD) units is also on the verge of completion. These primary steel melting furnaces are the last equipments being installed under the current expansion program, and once commissioned; MIDHANI's special steel melting capacity will increase by almost three folds, and open a new chapter for supply of high quantity special steels for the strategic sectors of national importance.

I am also glad to inform you that procurement action from an Indian source only to promote indigenization is in an advanced stage for a wide hot plate mill for the production of ultra-high strength steel plates for space and extra-large steel plates for naval applications. MIDHANI has also studied the requirement of strategic materials and facilities and is contemplating to set up a 17000 T Forge Press with compatible melting facilities in a new location with the active support from customers for the production of ultra-heavy steel forgings for construction of nuclear and thermal power plants under “Make-in-India” initiative of the Government of India. This will also facilitate the Company to achieve Navratna status in near future.

In addition to the ramping up the production capability, non-core process areas like machining, melt preparation and general maintenance etc were outsourced, and skilled manpower, which is decreasing year by year, was employed more effectively and efficiently in critical areas thereby resulting in increase of value addition per employee to ₹ 52.20 lakhs from the previous year’s figure of ₹ 41.61 lakhs.

As a part of an overall strategy of diversifying into the business of advanced materials, MIDHANI has signed a MOU with CSIR-NAL for the development and production of aeronautical grade carbon fiber, aiming to set up a green-field carbon fiber production plant in the long run. Similar critical alloys are Cold Rolled Grain Oriented (CRGO) steels - steels indispensable for the manufacture of highly efficient power transfer, but having production process so complicated that only few in the world have mastery over it, and as a result, the country totally depends on import for its requirements. MIDHANI has also signed a MOU with Steel Authority of India (SAIL) to indigenously develop these steels in the country.

Last but not least, I reiterate MIDHANI’s stand in its commitment towards fulfilling the societal responsibility for green environment and sustainable development. MIDHANI also continues to comply with the guidelines on corporate governance enunciated by the Department of Public Enterprises and has secured excellent grading for the year 2014-15 in terms of compliance with the said guidelines.

I, and on behalf of Board of Directors, thank our esteemed customers & suppliers, Department of Defence Production, all other stakeholders, and above all our employees for their valuable contribution in making MIDHANI what it is today and for their unstinted support and encouragement in achieving the excellent results of the company in the financial year 2014-15.



M. NARAYANA RAO

CHAIRMAN & MANAGING DIRECTOR

Chairman's Message

(Chairman & Managing Director from 01.09.2015)



It gives me immense pleasure to pen my vision for MIDHANI after having taken over as Chairman & Managing Director on the 1st day of September 2015. After having dedicated my four years in my role as Director (Production & Marketing) to the growth of MIDHANI from a sales value of ₹ 418 Crores in 2010-11 to ₹ 656 Crores in 2014-15, I now look forward to take MIDHANI to even greater heights during my tenure as Chairman & Managing Director. On Performance front, 2014-15 has been a glorious year and the results your company has achieved is something that we all can be proud of. I am also confident of your continued support and commitment towards growth of the company going forward.

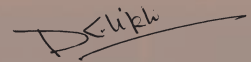
I would now like to throw some light on the several initiatives undertaken during the last few years forming part of your company's expansion and modernization plans which will help us serve our stakeholders in a better way. Your company is now equipped with a new Ring Rolling Mill, 6000 T Forge Press, New Melt shop with 20 T EAF, LF, VD/VOD, ESR facilities, apart from creation of eco-system of making value added products like tubes, filters, valves, fasteners etc. With the completion of the Modernization and Augmentation program I can assure all our stakeholders that in the coming years MIDHANI will use its

strong platform of metallurgical knowledge, design & engineering capability and manufacturing prowess to create a strong position for itself to cater to the strategic sectors of India's defense industry. These modern assets will now provide MIDHANI with the foresight and the ability to seize the opportunity to help deliver the one thing that all our stakeholders expect most – "RESULTS".

In addition to strengthening the core business area, MIDHANI is now also poised to diversify into new products and new markets such as Carbon Fibers, Aluminum Alloys and Armour business. Considering the pioneering entrepreneurial spirit that MIDHANI is known for, I am confident that our foray into these new products and markets will be a confident step into a tomorrow filled with opportunities and brimming with possibilities. I would also like to reiterate and assure all our stakeholders of MIDHANI's continued focus on quality, performance, competitiveness and customer-orientation.

The Government initiated reforms in terms of Governance and labour laws would also impact MIDHANI and your company will look forward to play a positive role in implementing the same. 'Make in India', 'Skill India' and "Digital India" are Government initiated concepts which will positively influence Defence sector procurement and production which would also help MIDHANI in its stated aim of achieving self-sufficiency in meeting the strategic industries requirements.

It would now be my sincere endeavor to sustain and increase the growth trajectory of the Company. This sustained and continuous growth will act as a catalyst to help us achieve our aim to soon be a Schedule A Company and subsequently achieve the coveted Navaratna Status. I call for your support in this journey as we have a simple mantra in our corporate philosophy that "Together We Can" which will help the Company in achieving excellent results in the coming years.



Dr. D. K. Likhi
Chairman & Managing Director

Functional Directors



Shri M. Narayana Rao
Chairman & Managing Director
Till: 31-08-2015



Dr. D.K. Likhi
Chairman & Managing Director
From: 01-09-2015
Director (Production & Marketing)
Till: 31-08-2015



Shri V.S. Krishnamurthy
Director (Finance)
Till: 31-08-2014



Shri B. G Raj
Director (Finance)
From: 01-09-2014

Government Nominee Directors



Smt. Kusum Singh
Joint Secretary



Dr. G. Malakondaiah
CC (R&D)
Till: 15-04-2015



Dr. Amol A Gokhale
(Director DMRL)
From: 16-04-2015
Till: 31-07-2015

Independent Directors



Dr. Kota Bhanu Sankara Rao
Director
(Till 26.04.2014)

Permanent Special Invitee



Shri P.K. Kataria
Addl. F.A. (K) & (JS)

Chief Vigilance Officer



Shri T.V. Reddy, IFS

Company Secretary



Shri Paul Antony

(As on 01.09.2015)

General Managers



Shri Debasish Dutta
G.M. (Projects)



Shri A. Rama Krishna Rao
G.M. (HR)



Shri S. K. Agarwal
G.M. (Finance)



Shri M.S. Chalapahti
G.M. (Production)



Shri P. Mukhopadhyay
G.M. (QA, R&D)
Till 31-03-2015



Shri Pallab Sarkar
G.M. (Production & Planning)
Till 31-05-2015



Shri K. Shankara Rao
G.M. (ES)
Till 31-07-2015

(As on 01.09.2015)



Shri. Manohar-Parrlikar Hon'ble Defence Minister, receiving the guard of honour during his visit to MIDHANI on 07.02.2015.

Content

S.No.	DESCRIPTION	PAGE NO.
1.	10 Years at Glance	2
2.	Notice of AGM	5
3.	Director's Report	9
	- Report of Corporate Governance	68
	- Management Discussion & Analysis	86
4.	Auditors' Report	122
5.	Comments of C&AG of India	131
6.	Significant Accounting Policies	132
7.	Balance Sheet	139
8.	Statement of Profit & Loss	141
9.	Statement of Cash Flow	143
10.	Notes to Accounts & Schedules	146
11.	Balance Sheet Abstract and Company's General Business Profile	181
12.	MIDHANI - General	186

Mishra Dhatu Nigam Limited

10 Years at Glance

Figures in ₹ Lakh (S. No. 1 - 16)

S.No.	ITEM	2005-06	2006-07	2007-08	2008-09	2009-10
1	Sales(tonnage)	1215	1262	1919	1908	2429
	Sales (Value)					
	..To customers	13,926.20	17,256.58	23,111.71	27,142.74	31,482.89
	..Dispatches to sub-contractors	1,362.92	1,993.18	2,389.30	3,768.49	5,638.10
	Total	15,289.12	19,249.76	25,501.01	30,911.23	37,120.99
2	Value of Production(inclg.ED)	17,759.69	22,388.49	29,640.17	36,402.83	37,323.63
3	Cash Profit/Loss(-)	2,036.80	3,768.16	5,737.67	6,605.56	7,085.33
4	PBT	1,841.82	3,559.04	5,494.68	6,289.65	6,766.78
5	Net Profit/Loss (-)	1,180.78	2,318.01	3,548.93	4,114.63	4,455.52
6	Value Added	10,112.80	13,016.50	17,652.62	21,486.34	23,757.48
7	Value added per employee	7.67	10.16	13.97	17.48	19.95
8	Paid up Capital	13,734.00	13,734.00	13,734.00	14,634.00	14,634.00
9	Gross Block	13,270.84	13,340.11	13,810.98	14,228.28	15,454.37
10	Net Fixed asset	2555.10	2438.47	2667.90	2779.32	3676.82
11	Net current asset	12826.29	14602.87	16767.00	18485.64	22757.42
12	Capital employed (10+11)	15,381.39	17,041.34	19,434.90	21,264.96	26,434.24
13	Equity	13734.00	13734.00	13734.00	14634.00	14634.00
14	Reserves	1695.16	3474.21	6196.54	9341.50	12759.18
15	Net Worth (13+14)	15,429.16	17,208.21	19,930.54	23,975.50	27,393.18
16	Contribution to Exchequer	2,671.00	4,405.00	5,483.00	6,651.00	6,295.00
17	No.of employees	(Figures in Nos.)				
	..Executives	270	250	249	249	255
	..Non executives	985	905	862	837	775
	..Non unionised supervisors	64	126	153	143	161
	TOTAL	1319	1281	1264	1229	1191
	Productivity per employee (₹ Lakh)	13.46	17.48	23.45	29.62	31.34

Mishra Dhatu Nigam Limited

10 Years at Glance

Figures in ₹ Lakh (S. No. 1 - 16)

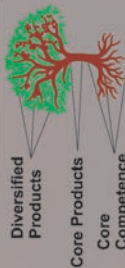
S.No.	ITEM	2010-11	2011-12	2012-13	2013-14	2014-15
1	Sales(tonnage)	3014	3482	4687	4111	4732
	Sales (Value)					
	..To customers	33,062.14	39,297.60	49,945.97	56,270.78	65,570.07
	..Dispatches to sub-contractors	8,724.63	11,603.67	5,913.17	0.00	0.00
	Total	41,786.77	50,901.27	55,859.14	56,270.78	65,570.07
2	Value of Production(inclg.ED)	48,545.58	49,599.59	53,736.67	57,226.40	64,836.95
3	Cash Profit/Loss(-)	7,955.19	10,329.04	12,293.72	12,747.26	14,830.16
4	PBT	7,518.14	9,850.28	11,777.66	12,143.54	13,851.49
5	Net Profit/Loss (-)	5,090.02	6,845.49	8,251.83	8,246.29	10,212.80
6	Value Added	28,877.73	35,137.66	35,998.14	37,618.80	43,641.34
7	Value added per employee	25.76	33.40	36.88	41.61	52.20
8	Paid up Capital	18,334.00	18,334.00	18,734.00	18,734.00	18,734.00
9	Gross Block	17,693.55	18,703.81	19,975.07	24,698.30	38,670.17
10	Net Fixed asset	5,526.39	6,067.40	6,817.41	11,547.79	24,427.97
11	Net current asset	30,310.00	39,507.00	55,673.71	44,471.94	35,144.93
12	Capital employed (10+11)	35,836.39	45,574.40	62,491.12	56,019.73	59,572.90
13	Equity	18,334.00	18,334.00	18,734.00	18,734.00	18,734.00
14	Reserves	15,461.46	18,045.30	21,942.51	25,779.38	31,380.56
15	Net Worth (13+14)	33,795.46	36,779.30	40,676.51	44,513.38	50,114.56
16	Contribution to Exchequer	7,956.10	10,347.29	12,136.00	11,181.00	10,617.67
17	No.of employees	(Figures in Nos.)				
	..Executives	258	250	267	257	242
	..Non executives	685	629	558	523	489
	..Non unionised supervisors	178	173	151	124	105
	TOTAL	1121	1052	976	904	836
	Productivity per employee (₹ Lakh)	43.31	47.15	55.06	63.30	77.56



An AS9100C Company

Diversified Products

Near Net Shapes, Valves, Fasteners, Pipes etc.



CORE PRODUCTS - Forged Rods, Plates, Wires, Rings

Core Competence (Technology and Equipments) : Special Steels, Super Alloys, Ti Alloys etc.



NOTICE OF THE 41st ANNUAL GENERAL MEETING

Notice is hereby given that the 41st Annual General Meeting of MISHRA DHATU NIGAM LIMITED will be held at 1000 hours on Tuesday, the 22nd day of September, 2015 at the Registered Office of the Company, P.O. Kanchanbagh, Hyderabad – 500 058, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015 and the Statement of Profit and Loss for the year ended on that date and the reports of the Directors' and the Auditors' thereon.
2. To declare Dividend on Equity Shares for the year ended 31st March, 2015.

SPECIAL BUSINESS:

3. **Transfer to General Reserves:** To consider and if thought fit, to pass with or without modifications, the following resolution as an **"ORDINARY RESOLUTION"**
"RESOLVED THAT the consent of the Members of the Company be and is hereby accorded for transferring a sum of ₹ 51 Cr. to the General Reserves of the Company".
4. **Ratification of Remuneration to Cost Auditors:** To consider and if thought fit, to pass with or without modifications the following resolution as an **"ORDINARY RESOLUTION"**
"RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 1,00,000/- exclusive of service tax, payable to M/s KRJ & Associates, Cost Accountants, as duly appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2014-15, be and is hereby ratified."

BY ORDER OF THE BOARD
FOR MISHRA DHATU NIGAM LIMITED



PAUL ANTONY
COMPANY SECRETARY

Place: Hyderabad,
Date : 29.08.2015

NOTES:

- i. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The proxy form duly completed must reach the Registered Office of the Company at least forty eight hours before the commencement of the Meeting.
- ii. The Explanatory Statement in respect of the Special Business under item No. 3 & 4 of the notice is annexed hereto.
- iii. The documents referred to in the Notice and accompanying Explanatory Statement are open for inspection at the Registered Office of the Company on all working days between 1100 hours and 1700 hours upto the date of the Annual General Meeting.
- iv. A copy of the audited Balance Sheet as at 31st March, 2015, and the Statement of Profit and Loss for the year ended on that date along with all documents required to be annexed or attached thereto along with NIL comments by C&AG of India under Section 143 (6)(b) of the Companies Act, 2013 and the reports of the Directors' and Auditors' thereon, is enclosed.
- v. The Dividend for the year 2014-2015 as and when declared to the extent due will be paid to the Shareholders whose names appear in the Register of Members as on the date of Annual General Meeting.

EXPLANATORY STATEMENT REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013

FOR ITEM: 3 - Transfer to General Reserves:

Since the year 2014-2015 has resulted in a distributable Profit of ₹ 102.13 Cr.; the Board of Directors have recommended to transfer a sum of ₹ 51 Cr. to the General Reserves of the Company, after appropriating a sum of ₹ 37.47 Cr. towards payment of Final Dividend (including interim Dividend of ₹ 4 Cr.) and ₹ 7.61 Cr. towards tax on Dividend, for the financial year ended on 31st March, 2015 subject to the approval of the Members in General Meeting as set out in the Notice. As per Article 97 of the Articles of Association of MIDHANI, the Chairman & Managing Director, shall reserve for the decision of the President of India, the matter relating to creation of Reserves and Special Funds. Since the President of India holds virtually the entire paid up share capital of the Company and is the major shareholder in the Company, the resolution for transfer of a surplus of ₹ 51 Cr. to General Reserve is proposed for approval of the Members.

2. Your Directors commend the resolution for approval of the Members. None of the Directors of the Company is, in any way concerned or interested, in the resolution.

FOR ITEM: 4 - Ratification of Remuneration to Cost Auditors:

The Board of Directors of the Company on the recommendation of the Audit Committee approved the appointment of M/s KRJ & Associates, Cost Accountants, upon annual remuneration of ₹ 1,00,000/- exclusive of service tax payable to conduct the audit of the cost records of the Company for the financial year 2014-15. 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 the Cost Auditor is required to be ratified by the members of the company.

2. Accordingly, the members are requested to consider and ratify the remuneration payable to the Cost Auditors for the year 2014-15 as set out in the resolution for the aforesaid services.

3. Your Directors commend the resolution for approval of the Members. None of the Directors of the Company is, in any way concerned or interested, in the resolution.

**BY ORDER OF THE BOARD
FOR MISHRA DHATU NIGAM LIMITED**



**PAUL ANTONY
COMPANY SECRETARY**

Place : Hyderabad,
Date : 29.08.2015



Past came alive: The retired Chief Executives, Directors and General Managers during their visit to MIDHANI for a 2 day interactive meeting held on the 9th & 10th day of January 2015.

(From L to R: Shri. T. K. Chandrasekhar, Shri. K. Ramesh, Dr. D. K. Likhi, Shri. A. K. Bhatia, Shri. P. R. K. Harogopal, Shri. T. M. Subramanian, Shri. S. N. Jha, Dr. N. Nageshwar Rao, Shri. M. P. Vora, Shri. R. K. Mahapatra, Shri. K. K. Sinha, Shri. S. Chandrasekharan, Shri. M. Narayana Rao, Shri. A. D. Tewari, Shri. Devasis Chowdhury, Shri. V. S. Verma, Shri. B. G. Raj, Shri. D. N. Bhatia)

Directors' Report



The Members, Mishra Dhatu Nigam Limited,

Dear Members,

On behalf of the Board of Directors, I have immense pleasure in presenting the 41st Annual Report on performance and achievements of your company for the year ended on 31st March, 2015 together with Audited Statement of Accounts, Auditors' Report and Financial highlights.

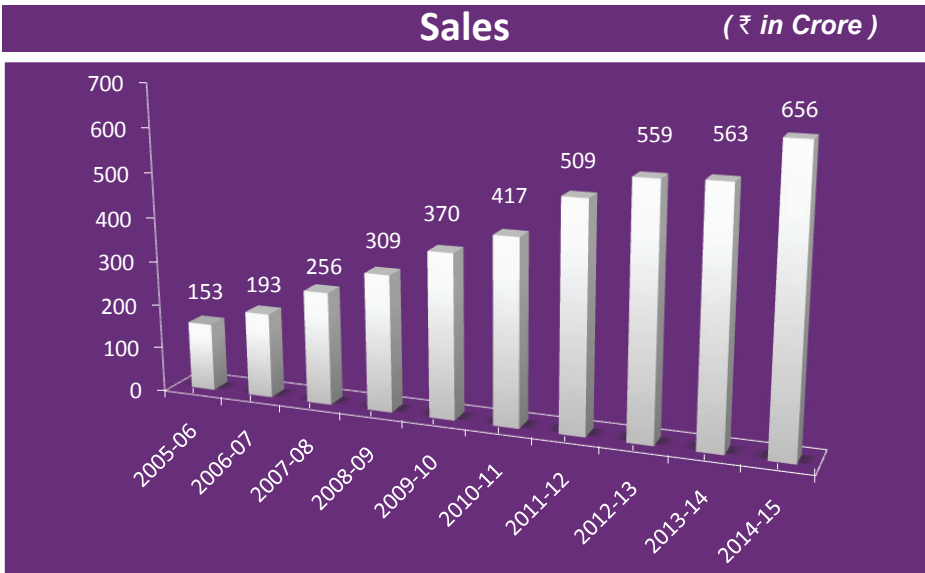
1.0 SIGNIFICANT ACHIEVEMENTS during the year under report were:

- **HIGHEST** ever achieved Sales Turnover of ₹ 655.70 Cr. surpassing the previous year sales of ₹ 562.71 Cr.
- **HIGHEST** VoP of ₹ 648.37 Cr. and **VALUE ADDED PER EMPLOYEE** of ₹ 52.20 Lakh which is higher than the previous year.

- **SIGNING MEMORANDUM OF UNDERSTANDING (MoU)** with CSIR-National Aerospace Laboratories (NAL), Bangalore on 16th October 2014 for development of Aeronautical grade carbon fiber and development of a continuous process for the preparation of standard modulus carbon fiber.
- **SIGNING MEMORANDUM OF UNDERSTANDING (MoU)** with M/s. BHEL and M/s. HSL on 26th Dec' 2014 to form a Consortium to bid for project P75 I program of Indian Navy which is a stepping stone towards indigenous Submarine Building Programme.

2.0 HIGHLIGHTS OF PRODUCTION & SUPPLIES

- Development of Auto Billet (AB) grinding machine built in-house and putting it into operation for regular production from May' 2014 onwards.
- Successful commissioning of 300 & 150 KW EBM Furnaces and successful commissioning of 6000 MT Forge Press which was put into operation for regular production activities from 25th November 2014. Successful forging of about 500 MT on the press during the year 2014-15.

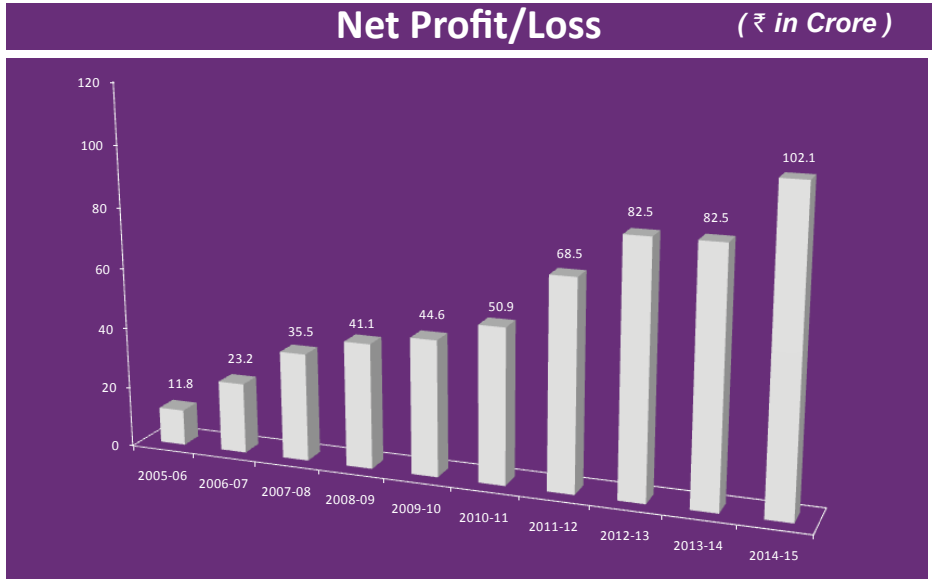




- Successful completion of orders to Indian Air Force, Chandigarh for Mi-17 Composite Armour Panels.
- Turnover increased to ₹ 655.70 Cr (4732 MT) as compared to ₹ 562.71 Cr. (4111 MT) during the previous year, thus registering a steady growth value wise.

3.0 FINANCIAL HIGHLIGHTS:

- 3.1 The Company has earned a Gross Margin of ₹ 154.83 Cr. and a Profit before Tax of ₹ 138.51 Cr. during the year 2014-15 as compared to ₹ 127.90 Cr. and ₹ 121.44 Cr. in the previous year respectively. The Profit after Tax for the year stands at ₹ 102.13 Cr. as against ₹ 82.46 Cr. in the previous year.
- 3.2 The surplus available for appropriations would be ₹ 102.13 Cr. as against ₹ 82.46Cr. in the previous year which would enable the Company to declare an Interim Dividend and a Final Dividend aggregating to ₹ 37.47 Cr. in line with the amount declared as Dividend in the previous year.
- 3.3 During the year under report the Authorized Share Capital of the Company remained un-altered. The Authorized and Paid up Share



Capital stood at ₹ 200.00 Cr. and ₹ 187.34 Cr. respectively, as on 31.03.2015.

3.4 Your Company has achieved all the financial and operational targets set out for the year 2014-15. The highlights are as under:

(Figures in ₹ Lakh)

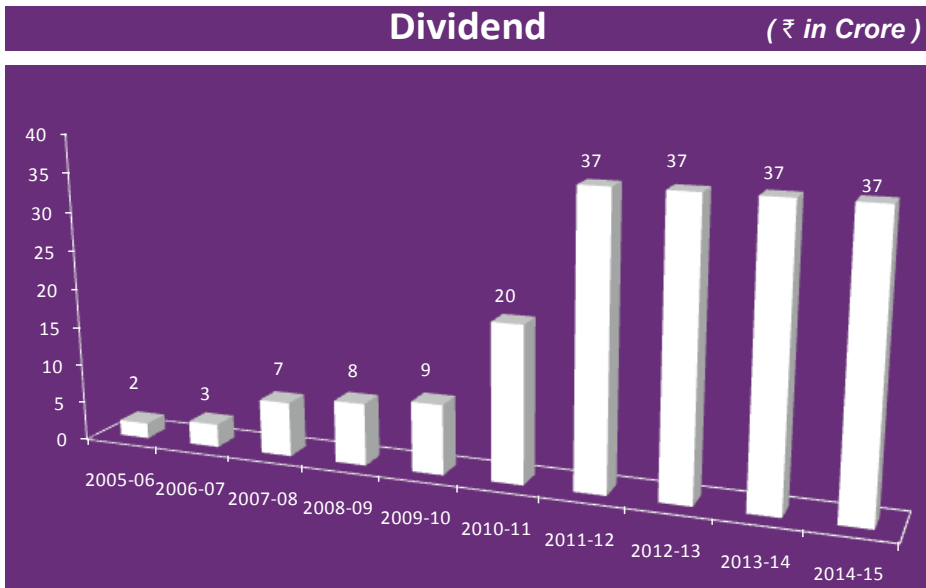
Particulars	2014-15	2013-14
Sales (Less returns)	65570	56271
Other Income	2269	2093
Value of Production (Excluding ED)	64004	56418
Depreciation	979	604
Interest	660	419
Profit (before tax)	13851	12144
Profit (after tax)	10213	8246
Ratios (Percentages)		
Profit Before Tax to Capital employed	23.25	21.68
Profit Before Tax to Sales	21.12	21.58
Profit After Tax to Net Worth	20.38	18.53
Profit After Tax to Paid-up Capital	54.51	44.02
Sales to Capital Employed	110.07	100.45
Sales to Gross Block	169.56	227.83
Per Capita Sales (₹ Lakh)	78.43	62.25

3.5 Your Company has from the F/Y 2014-15 dispensed with the erstwhile accounting policy 10.2 dealing with revenue recognition in respect of claims for price variation on sales contracts/orders and incorporated a new accounting policy 7.4. The details of this change and the impact of this change in accounting policy on each line item of the financial statements for the current year is listed out at point No. 7 in the Notes to Accounts forming part of the financial statements of the Company



4.0 DIVIDEND AND TRANSFER TO GENERAL RESERVE

4.1 The Directors are pleased to recommend a Final Dividend @ 20% on the paid up Share Capital of ₹ 187.34 Cr. amounting to ₹ 37.47 Cr. as was also paid in the previous year. Further an amount of ₹ 7.61 Cr. will be paid as Dividend Tax including surcharge as against ₹ 6.63 Cr. in the previous year. The rate of Dividend works out to ₹ 200/- per Equity Share of ₹ 1000/- on 18, 73, 400 Equity Shares, as against Dividend of ₹ 200/- per Equity Share on 18, 73,400 Shares in the previous year. MIDHANI had declared an Interim Dividend of ₹ 4.00 Cr. for the financial year 2014-15, adjustable in the Final Dividend declared in the ensuing Annual General Meeting.



4.2 The Directors are happy to inform that a sum of ₹ 51.00 Cr. have been Transferred to General Reserves of the Company after Provision for payment of Dividend as above against previous year's transfer of ₹ 38.37 Cr.; thereby accumulating the Reserve to the tune of ₹ 307.76 Cr. and leaving a balance of ₹ 6.05 Cr. in the Surplus Account.

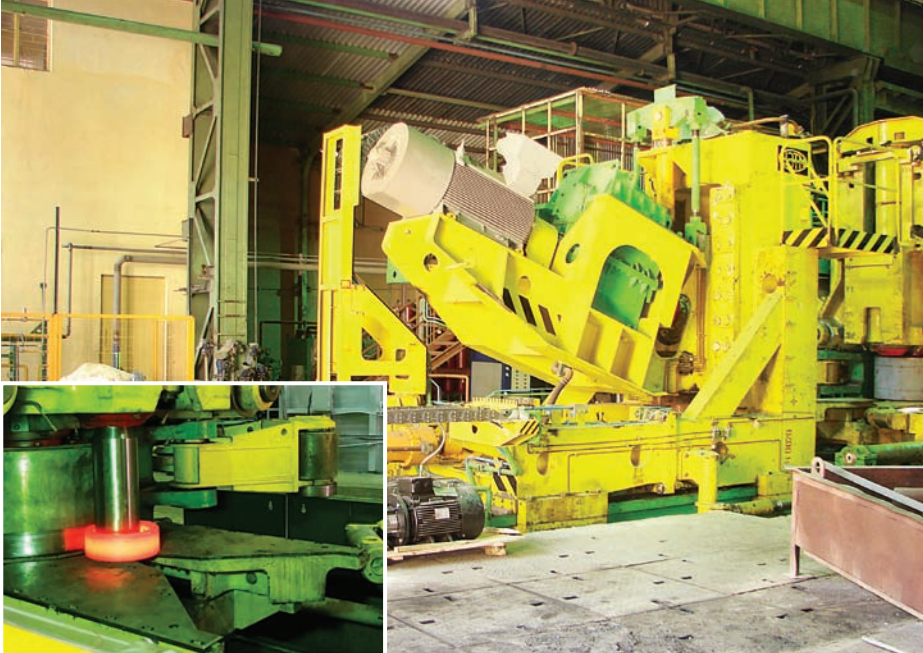
5.0 PERFORMANCE AGAINST MoU

- 5.1 For the year 2014-15 MIDHANI's performance is expected to be ranked as "EXCELLENT" under various Performance Parameters of MoU.
- 5.2 For the Year 2015-16, MIDHANI signed MoU with Government of India to achieve Annual Sales Target of ₹ 680 Cr. with Gross Margin of ₹ 138 Cr. under excellent criteria at the Taskforce negotiation meeting held on 26th February 2015 at New Delhi.

6.0 MODERNISATION & UP-GRADATION PROGRAM AND IMPLEMENTATION OF CORPORATE PLAN - 2020 OF THE COMPANY:

- 6.1 MIDHANI continued to execute its strategy of capacity expansions and introduction of newer capabilities. MIDHANI believes that by offering a positive value proposition to our customers over time, we can maximize our wealth while at the same time creating value. Through our people and combination of pooled knowledge and technical capacities, MIDHANI is well positioned to supply raw material to strategic sectors. In 2014-15, MIDHANI further developed its strategy, processes to strengthen organization's ability to capture future business opportunities found in long-term scenario analysis.
- 6.2 By leveraging our industrial expertise we have innovated new technologies and upgraded our production processes. By employing our inhouse experience, we have reverse engineered many a critical equipment and thereby creating value that will allow MIDHANI to have an impact on global market while also strengthening our competitiveness. Our significant manufacturing capacity and value-added products will provide necessary scale and infrastructure to sustain global competition and simultaneously create national assets for strategic sector and reduce dependency on import of components.
- 6.3 Projects that have been commissioned and are in progress are:-

- **Radial Axial Ring Rolling Mill:** Ring rolling mill has been successfully commissioned during the year 2013 and is contributing for the production & sales of Special Alloys, Super Alloys and Titanium Alloy rings.



The newly commissioned Ring Rolling Mill (Inset) During Operation

- **6000 T Forge press:** The 6000 T forge press was commissioned in November 2014. The enhanced forging capacity makes the process more efficient with wider range of products & reduction of power & utility consumption, delivery time etc. and has increased feeding of input to downstream shops.
- **EA/LF/VD/VOD Facility:** Electric Arc Furnace (EAF) along with Ladle Refining Furnace (LRF) and Vacuum Degassing (VD) /Vacuum Oxygen Decarburising (VOD) facility is being established for higher productivity, increased yield and reduced lead time. The erection of equipment is complete and is expected to be commissioned soon.



The newly commissioned 6000 T Forge Press

- **Electron Beam Melting:** This is an advanced processing technology for production and refining of high purity refractory metals such as Hafnium, Niobium, Tantalum, Vanadium, Titanium and other exotic alloys. These metals are used in melting of alloys for space / satellite applications. Two EBM furnaces each of 300KW and 150 KW have been installed and commissioned in January 2015.
- **Wide Plate Mill:** This would be the biggest capacity balancer in the downstream area to consume the increased melting capacity. Such an establishment would build in-house capability to develop and manufacture heavy plate requirements of various special alloys for strategic requirements of Ordnance, Naval, Missile, Aerospace, Atomic energy, etc. and would serve as a National facility for development of wide plates that would meet present and future requirements. This would also facilitate import substitution of the above products. The project is envisaged to be designed, engineered and manufactured within India.



The newly commissioned Electron Beam Melting furnace. (Inset) MIDHANI functional Directors with representatives from VSSC during Inauguration of the Furnace

- **20T Electro Slag Refining furnace:** This is an indigenously designed secondary refining furnace. This facility will balance with primary melting 20T EAF and cater to the present and future requirements of heavy Gun Barrels for Indian ordnance. Installation and commissioning is likely to be completed during the next financial year.
- **10T Vacuum Arc Re-melting furnace:** This is an indigenously designed furnace and will cater to production of Titanium ingots & clean steels for Defence, Space & Atomic Energy. This facility can also be dedicated exclusively for aerospace quality titanium products. Installation and commissioning is likely to be completed during the next financial year.

- **Extrusion press:** This is leveraging of our experience in bringing to life of a discarded press. The press can produce seamless tubes of titanium alloys and stainless steel wire rods. Installation and commissioning is likely to be completed during the next financial year.
- **Carbon Fiber Manufacturing:** A MoU with NAL is signed for development of aero quality carbon fibers. The pilot plant at NAL will subsequently be scaled to production level plant.
- Introduce new products of Aluminum-Lithium alloys by setting up melting facility and Investment cast products for small engines for missiles.

MISSION:

To achieve self-reliance in the research, development, manufacture and supply of Critical alloys and products of national security and Strategic importance.

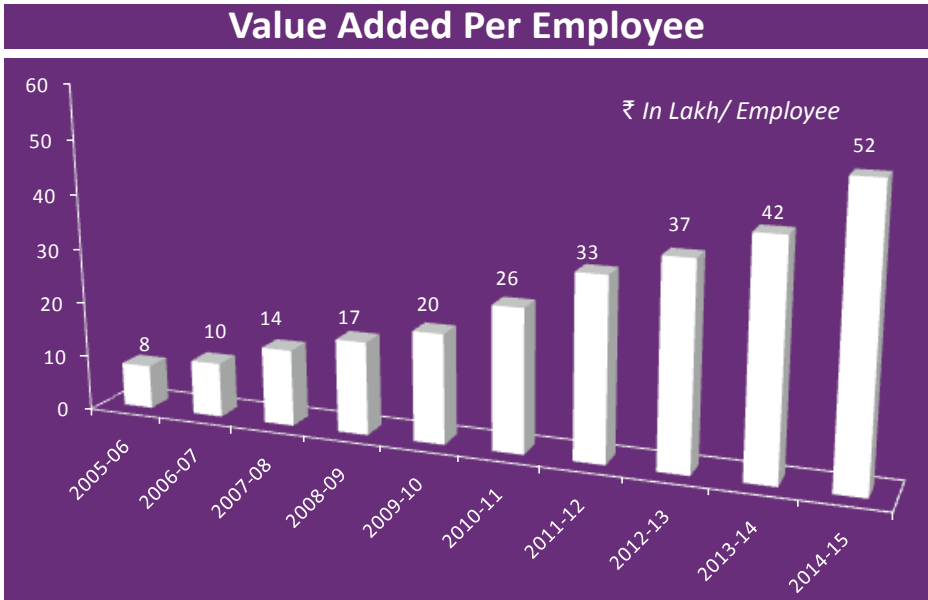
7.0 FUTURE OUTLOOK:

- 7.1 With a view to discharge its long term goals and to fulfill its Corporate Mission, your company continued its efforts to reach a targeted capacity level of about 8000 MT/year, for existing product mix. Further, your company is also looking forward to enter into the field of manufacturing aero quality Carbon Fiber, Aluminum alloys etc. and also has a Joint program for development of materials required for submarines for navy.



8.0 LABOUR PRODUCTIVITY:

8.1 The value added per employee rose to ₹ 52.20 Lakh when compared to ₹ 41.61 Lakh in the previous year and the Direct Labour Productivity, in terms of value added per direct worker, stood at ₹ 132.65 Lakh when compared to ₹ 104.79 Lakh during the previous year.



9.0 OPERATIONAL EFFICIENCY:

9.1 “Excellent” performance in the matter of recycling of reclaimed material from production process to the extent of 3275 MT obviating the use of virgin raw materials worth ₹ 41.07 Cr. and saving expenditure on costly material.

10.0 CAPACITY UTILISATION:

10.1 During the year, various measures viz., process improvements, reduction in production cycle times, reduction in equipment down times have been undertaken to increase capacity utilization. The results can be seen in the form of increase in sales tonnage by 15% over the previous year.

11.0 DEVELOPMENTS OF NEW PRODUCTS THROUGH R&D EFFORTS DURING THE YEAR 2014-'15 INCLUDE:

R&D activities in MIDHANI are primarily focused on alloy and product development process modification with a view to create more business opportunities for the company. Significant work has been carried out towards development of special materials for Defence, Space, Power, Nuclear and other core sectors. MIDHANI incurred an expenditure of ₹ 8.45 Crore during the F/Y 2014-15 for R&D activities. Some of the salient outcome of alloy development projects is indicated below:

- Development of precipitation hardening stainless steel (MDN 11-10 T PH) for structural components of BRAHMOS Missiles.
- Development of Martensitic Stainless Steel (TS-1) for aerospace transducers.
- Development of Ti-31 solution treated and aged rings for space applications
- Development of iron-nickel controlled expansion alloy (Ferni 31-5) for space applications.
- Development of precipitation hardenable Ni-base superalloy Superni 708 for aero engine applications.
- Emphasis is also being laid on indigenization of vital equipments and significant progress has been made towards indigenization of 20T ESR Furnace.
- **PATENTS FILED:** The R&D activities has also helped MIDHANI in filing an application for grant of the following patents:
 - ✓ Commercial scale development of ultra high strength-high fracture toughness maraging steel using thermo mechanical treatments.
 - ✓ Heat treatable dual phase martensitic–ferritic stainless steel alloy and its production method.

12.0 ENERGY CONSERVATION:

12.1 Due importance is given for energy conservation measures in MIDHANI and have been continued as before during the year under report. The measures introduced to save energy during the year is as follows:

- Maximum utilization of revamped Re-heating furnaces like Furnace No-8B, 9A and 004 for Re-heating purpose.
- Loading of materials which are having similar heat-cycle in the furnaces upto their full capacity.
- Furnace availability at more than 80% during the financial year.

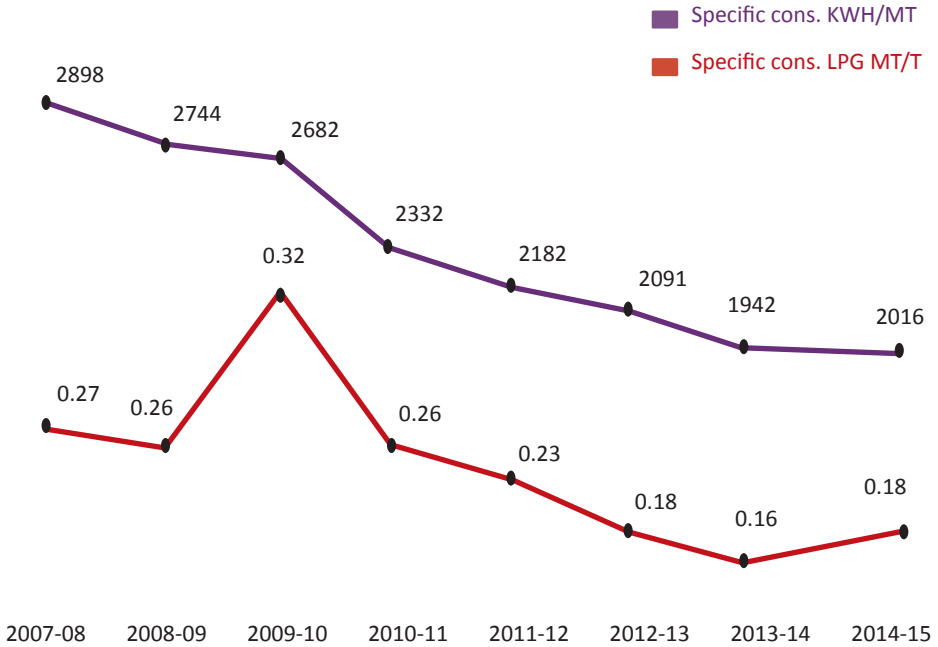
12.2 Thus the measures introduced to save energy during the year under report are:

- At MS-I, the furnaces like VIR and EAF are running continuously i.e. running the furnaces in "C" shift also to utilize the heat remaining in the previous melt and other areas like HRM, CRM and B&WD, there by direct reduction in energy consumption.
- Introduction of LED lighting system for street lights near QCL Building.

12.3 The summary of consumption of Electricity and LPG for the financial year 2014-15 was as follows:

S.No.	ITEM	UNITS	2014-15	2013-14
1	Total consumption of Electricity:	KW Hr (in crore)	4.05	3.97
2	Total consumption of LPG	MT	3530.57	3186.23
3	Specific Consumptions -			
	-Electricity Per MT of Production:	KW Hr/T (Prod.)	2016	1942.44
	- LPG per MT of Prod.	MT(LPG)/MT(Prod.)	0.18	0.16

Energy Conservation



13.0 MARKETING & BUSINESS DEVELOPMENT:

13.1 During the year under review, in spite of the general economic slowdown and budget constraints in Strategic Sectors causing pressure on selling prices and demand, MIDHANI could secure orders worth ₹ 464 Cr. during 2014-15. The cumulative orders on hand as on 01.04.2015 is to the tune of ₹ 887 Cr.

13.2 Sector wise Orders Booked during the year 2014-15 is as under:



Sector	Major Customers
Defence	BDL, MSF, OFC, GCF, FGF, ATVP, Engine Factory, Eastern Naval Command, Ship Building Centre, DMDE etc
Defence DRDO	DRDL, ASL, ANSP, PGAD, DMRL, RCI, TBRL, Brahmos
Defence Aero	HAL, GTRE, Air Force Stn., ADA etc
Space	VSSC, LPSC
Nuclear	DAE, NFC, BARC, NPCIL
Commercial	BHEL (All Units), Godrej, Team, etc

13.3 During the year under report the Order Booking from Defence sector was quite encouraging and long term tie ups and business agreement to supply high value and value added products could also be made during the year and it is also expected that the above efforts will further improve the order booking during the coming years.

13.4 During the year under report, greater emphasis was given by your company to minimize delayed supplies by efficiently managing outsourcing activities and by way of effective interaction and further business tie ups. This has resulted in reducing the delayed orders during the year under report and with the commissioning of 6000T Forge Press, the delayed order is expected to be brought down drastically.

13.5 New Products / Market Development:

New Products: The new products added to your company's product profile are as under: 03X12H9M2C, 17Cr-1.7Mo Bearing Steel, CB03X12H9M2C, MDN09X16H4, MDN 11-10T, MDN 11-10V, MDN 12-10PH, 15-5T, MDN 312 (12X21H5T), M40, M44, M51, M52, PT3VM, VP 30, PT3B, MDN 10-1-1, Superni C42, FIN CYLINDER for PINAKA (40C8), Shape Memory alloy in Collaboration with NAL has been fully developed for Commercial Production.

Market Development: During the year, about 13 new customers have been added to MIDHANI customer's list mainly from commercial sector for supply of Titan 31, Titan 31A, MDN 250, 8CD12, 15CDV6 Softmag 48B, 08X18H10T, MDN 420, Moly 1 Softiron 1 and OT 4-1

13.6 The total orders executed during the year under review were to the tune of ₹ 655.7 Cr. and the sector wise sales executed is as below:

Sector	Major Customers
Defence	Ord. Factories – FGF, OFC, EFA,MSF,GCF etc.
	DRDO- DRDL, ASL, PGAD, DMRL, ARDE, SPIC DRDO, HEMRL etc.
	AERO – HAL, GTRE, Indian Air Force etc.
	BDL (HYD & MEDAK)
	NAVY – ATPV, SBC, ENC, NHQ etc.
Space	VSSC, LPSC
Nuclear	DAE, BARC, NFC
Commercial	BHEL, Walchandnagar Industries, Team, Brahmos etc.

13.7 **CUSTOMER GRIEVANCES** - MIDHANI has taken efforts to adequately address Customer complaints to the satisfaction of its customers.

13.8 **CUSTOMER SATISFACTION INDEX** – In accordance with the MoU parameters on Customer Satisfaction Index based on Customer Survey during 2014-15 entered into with the Government of India, MIDHANI has completed the survey and achieved a rating of 3.89.

13.9 **BRIEF ON EXPORT INITIATIVES: Future Outlook / estimated potential:**



- 13.9.1 In view of the subdued world economy and demand, unfavorable conditions in the world markets in general and European and US Markets in particular, the average prices are very low and not remunerative. As a result no exports could be done in the year –2014-15.
- 13.9.2 Keeping in view the augmented facilities of Ring Rolling, Electron Beam Melting Furnace, 6000T Forge Press and 20T VD/VOD being commissioned, MIDHANI is expected to be cost competitive with improved deliveries enabling us to tap Export Market.
- 13.9.3 Accordingly, MIDHANI has put up its efforts widely circulating AS9100 C to generate keen interest and also towards “MAKE IN INDIA”. MIDHANI has interacted with M/s Rolls Royce, M/s BAE Systems, M/s GE, M/s EADS-AIRBUS. MIDHANI has participated in AEROMART Summit 2014 and had B2B discussions with various potential global customers.

14.0 RISK MANAGEMENT:

- 14.1 MIDHANI has a Board approved Risk Management Policy and the Risks involved at the various processes in MIDHANI 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 at Point 6 of Management Discussion and Analysis placed at **APPENDIX VI** and also listed out in the form of SWOT analysis placed at **ANNEXURE – VII**.

15.0 MARKETING OF SPECIAL PRODUCTS:

15.1 BIO-MEDICAL IMPLANTS:

MIDHANI was able to secure orders from various corporate hospitals and dealers of Bio Implants and executed order worth of ₹ 17.52 Lakhs. Under Corporate Social responsibility, 44 No's of custom made prosthesis were supplied to Cancer patients.

15.2 FASTENERS:

MIDHANI has supplied fasteners worth ₹ 360.94 Lakhs during the financial year 2014-15.

16.0 CUSTOMER MEET & SEMINARS:

16.1 CUSTOMER MEET:

16.1.1 Your company organized its 11th Customer Meet on 3rd Nov., 2014 at DRDO Auditorium, Hyderabad. The theme of the meet was “Shaping Vision into Action – Make in India”. About 126 delegates representing various sectors viz., Space, Atomic, Aeronautics, Defence, Power & Commercial Sectors have participated in the meet.

16.1.2 Shri. M. Narayana Rao, C&MD inaugurated the meet and Shri Rakesh Kumar, General Manager, Field Gun Factory; Kanpur was the Chief Guest for the valedictory function.



(From L to R): Dr. D. K. Likhi, Director (P&M), Shri. M. Narayana Rao, C&MD, Shri Rakesh Kumar, General Manager and Chief Guest from Field Gun Factory; Kanpur and Shri. B. G. Raj, Director (Finance) at the Customer Meet valedictory function.

16.2 EXHIBITIONS/SEMINARS:

As an effective marketing strategy, MIDHANI participated in various National and International Exhibitions, Conferences, Seminars to effectively interact and appraise the new activities towards achieving good business and to also enhance its role both in the national and International markets. Some of the programs attended are as under:

- EUROSATORY 2014, international exhibition held at Paris during 16-20 June, 2014.
- Participated as delegate in Farnborough, International Air Show 2014 held at London from 14-18 July 2014.
- Africa Aerospace & Defence (AAD) 2014 International Exhibition held at South Africa from 17-21 Sept., 2014.
- INDEF 2014, international exhibition held at Jakarta, Indonesia during 05-08 Nov., 2014.
- AEROMART India Summit 2014 held at Bangalore during 18-20 Nov., 2014.
- Vibrant Gujarat Global Trade Show 2015 organized by Gujarat Government at Gandhinagar, Ahmedabad from 08-13 Jan, 2015.
- Aero India 2015 International Exhibition organized by Ministry of Defence at Bangalore from 18-22 Feb., 2015.

17.0 QUALITY CONTROL & ASSURANCE:

- 17.1 During the year under review, your company has successfully completed the Surveillance Audit for compliance to ISO 9001:2008 standard by Bureau of Indian Standards (BIS) and Accreditation Audit for compliance to ISO 17025 for Chemical and Mechanical testing Laboratories by NABL.

- 17.2 You company has also successfully completed Renewal audit for compliance to AS 9100 Rev C by UL DQS Systems.

MIDHANI "Quality Policy"

MIDHANI will provide quality products that consistently meet all requirement of its customers. MIDHANI remains committed to enhancement of customer satisfaction by continuous improvement in all aspects of Quality Management System and Product Realisation

18.0 VENDOR DEVELOPMENT:

- 18.1 MIDHANI organized its 6th Vendor Meet titled "Together towards Tomorrow" on 5th December, 2014 with 100 vendor's participation in the meet. A detailed presentation on MIDHANI's expansion plans and the e-procurement portal was made followed by interactive session with vendors in different group. The event served as a platform for MIDHANI and our vendors to share ideas openly.



(From L to R): Shri. B. G. Raj, Director (Finance), Shri. M. Narayana Rao, C&MD, Dr. D. K. Likhi, Director (P&M), with Shri. T. V. Reddy, CVO addressing the Vendor meet held on 5th December 2014



- 18.2 For all procurement indents of estimated value exceeding ₹ 1 Crore, MIDHANI is signing 'Integrity Pact' with the respective bidders. Presently Shri. N. Vinod Kumar is holding the position of Independent External Monitor (IEM) for MIDHANI. One IEM meeting was held during 2014-15. Integrity Pact was signed for 27 cases valuing more than ₹ 1 Cr. during the year 2014-15.
- 18.3 In-order to bring more transparency in procurement, MIDHANI is gradually shifting towards e-procurement process. 85% of total procurement other than the unavoidable cases was done through e-procurement mode during 2014-15.

19.0 HUMAN RESOURCE DEVELOPMENT:

- 19.1 Human Resource has been recognized as the most important asset of our organization. MIDHANI continues to aim at building a motivated, committed and satisfied work force to achieve its organizational goals. Today HR Management has transformed to a strategic function from that of a conventional/traditional support function.
- 19.2 Globalization has brought radical changes in business environment with more emphasis on business viability, value addition and profitability. MIDHANI recognizes that the most important asset is its employees and that could be a major differentiator in the face of competition from world over. Aligning HR initiatives with business strategy is of prime concern of MIDHANI. Keeping in view the current trends, several HR Policies have been updated, modified, and introduced.
- 19.3 The manpower of MIDHANI is its main asset. The employees are highly skilled and motivated individuals. It is the main challenge before the company for continuous upgradation of their knowledge and skills through appropriate training and development modules. Special emphasis was given for the development of SC, ST, OBC, PWDs and Minorities among employees.

19.4 **MAN POWER POSITION:** The man power strength of MIDHANI as on 31.03.2015 is 489 Non-executives, 105 Non-Unionized Supervisors and 242 Executives as against 523 Non-executives, 124 Non-Unionized Supervisors and 257 Executives as on 31.03.2014

19.5 The total manpower strength under Permanent Category of your Company as on 31st March 2015 is as under:

Particulars	Non-Executives	Non-Unionized Supervisors	Executives	Total
Male	451	101	215	767
Female	38	4	27	69
Total	489	105	242	836
Statement showing the representation of SC/ST/OBC/PH and their recruitment etc., are given in Appx:I				

20.0 PARTICULARS OF EMPLOYEES:

20.1 During the year under report your Company had no employee covered under Companies (Particulars of Employees) Amendment Rules, 2011.

21.0 INDUSTRIAL RELATIONS:

21.1 The industrial relations scenario continued to be peaceful and cordial during the year under report with the management receiving maximum support and cooperation from the employees as in the past.

21.2 The management provides proactive, compassionate human relations by creating an atmosphere of mutual trust, participative management, up-gradation of compliance level in line with strategic philosophy of the organization and influence the employee's performance.

22.0 TRAINING & DEVELOPMENT:

22.1 During the year under report, Training Programs were arranged for 245 Executives (including Non Unionized Supervisors) and 156 Non-executives i.e. 401 Employees, for both in-house and external training programs, Seminars, Conferences, Symposiums and Workshops.

- 22.2 Induction of SOTs / JOTs – 2014-15 batch: Diploma Engineers and Tradesmen, in various disciplines, were inducted during January 2015 as Senior Operative Trainees (13) / Junior Operative Trainees (36) with a comprehensive induction training scheduled to be completed by January 2016.
- 22.3 Under the Industry - Academia - Interface Programme, 09 Plant Visits for Defence Personnel, Scientists, Officers & Workers from Public Sector Undertakings, Students from premier Engineering Colleges / Universities / Institutes across the country, comprising 253 Professionals / Students were organized and 153 Engineering & MBA students from various Colleges and Universities were permitted to carry out Summer Training for Industrial Orientation and 65 students for Winter Training on Project Works, as a part of academic curriculum. All possible Infrastructures, Guidance / Supervision and help were extended to facilitate an effective Industry–Academia Interaction.
- 22.4 Statutory Training programs under provisions of Apprentices Act, 1961 were continued in the year under report by organizing various Apprenticeship Training Programmes. 69 students were offered various Apprenticeship Training Programmes viz. ITI Tradesmen, Engineering Diploma-holders / Sandwich Diploma Students and Engineering Graduates as a part of their academic curriculum in MIDHANI.
- 22.5 Two (2) All India Trade Tests at National Level were conducted at MIDHANI Centre with 41 Apprentices taking the examinations during May 2014 and October / November 2014, and successfully qualifying for the National Apprenticeship Training.

22.6 DR. TAMHANKAR'S TROPHY FOR YOUNG MANAGERS-2014:

Your company to encourage innovative idea introduced a yearly competition among young managers called as “**Dr. Tamhankar's Trophy for Young Managers**”. The theme for the year 2014 in form of a specific project was - “**Innovative Modifications in Processes, Equipments, Products - Including HR & Finance**”. The competition saw active participation and results for Winners, Runners up were declared with Consolation Prizes for all participants.

23.0 STATUTORY & SOCIAL OBLIGATIONS:

23.1 CORPORATE SOCIAL RESPONSIBILITY:

- The Corporate Social Responsibility and Sustainable Development Policy of MIDHANI in line with the Companies Act 2013 were approved by the Board of MIDHANI at its 218th Board Meeting held on the 6th day of December 2014.
- An annual report on the CSR activities of the company giving the composition of the CSR Committee in MIDHANI as mandated under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is also placed at **APPENDIX-II**.
- As a part of its Corporate Social Responsibility towards the weaker section of the society and the children of the weaker section, Company has awarded a cash prize of ₹ 1000/- to each student from SC, ST & OBC categories who stood first in their respective classes from Class I to X of BPDVA School. The awards were presented on 15th August, 2014.
- In addition to the above, 7 CSR- projects were taken up by MIDHANI as per the details given below:
 - i. Promotion of Health Care and Sanitation: 3
 - ii. Promotion of Education : 2
 - iii. Environment Sustainability, Ecological balance and Conservation of Natural resources : 1
 - iv. Renewable Energy: 1

i. **Promotion of Health Care and Sanitation:**

- a) **Improvement of sanitation at Govt. Schools:** In order to improve hygiene and health conditions, Toilets were constructed at four nearby Govt. Schools. Approx. 1200 students benefitted apart from improving the attendance of girl students and also reduction of school drop outs particularly girl students.



Toilets developed by MIDHANI under the Swachh Bharat initiative to improve sanitation at Government Schools

- b) **Swachh Bharat:** As part of Swachh Bharat Mission, Construction of 35 Toilets at 13 Govt. Schools of various Mandals in Rangareddy have been taken up and the construction work is in progress. It is expected to be completed by June’2015. Approx. 1200 boy and girl students would be benefitted. Cleanliness drive at neighborhood areas and within the plant was also conducted and employees administered “Swachh Bharat” pledge as per the directives of the Ministry.
- c) **Distribution of Aids & Appliances to Disabled persons:** Approx. 300 persons of various disabilities such as Orthopedic, Hearing Impairment, and Visually Impaired are provided with Tri-Cycles, Wheel Chairs, Walking Sticks, Hearing aids etc. All beneficiaries belong to Below Poverty Line (BPL) & Poor families identified by District Rural Development Agency of Rangareddy Dist. of Telangana.



Shri. M. Narayana Rao, C&MD administering the "Swachh Bharat" pledge to the employees of MIDHANI as per the directives of the Ministry

ii. Promotion of Education :

- a) **Infrastructure facilities at Schools and Colleges:** In order to improve learning abilities and create more conducive environment, Dual desk, un-interrupted power supply, by providing DG sets, Special learning software for visually challenged students, Computers and other enabling facilities have been provided to nearby Govt. Schools and Hyderabad Central University students. The beneficiaries are mostly BPL families and the respective institutions could not provide the facilities due to budget constraints. Approx. 1200 students benefitted by this project.
- b) **Mid-day meal to Govt. Schools:** MIDHANI has sponsored Mid-day meal to approx. 5000 Children in 3 Mandals of Medak Dist through M/s Akshya Patra Foundation.

iii. **Environment Sustainability, Ecological balance and conservation of Natural resources:**

Maintaining environment and ecological balance: MIDHANI has taken up plantation of Medicinal, fruit bearing and Aromatic plants for the benefit of the society. In order to protect the fast diminishing National Bird, a Peacock Sanctuary has been created at our premises which is providing conducive atmosphere for the Peacocks. Development of water bodies, setting up of sewerage treatment plant, Solar power, drip irrigation etc were taken up during the year.



Left: Dr. D. K. Likhi, Director (P&M) and Right: Shri. B. G. Raj, Director (Finance) during the plantation drive to help maintain environment and ecological balance

iv. **Renewable Energy:**

As envisaged in CSR-policy of MIDHANI, efforts are being made to encourage use of non-conventional energy thereby helping in protection of environment and also preservation of natural resource. A 3.5 KW Solar power unit has been set up for pumping of water to plants to develop greenery.

23.2 DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

- Your company has always believed in providing a safe and harassment free workplace for every individual working in the company with an environment that is free from discrimination and harassment including sexual harassment. Company has in place a robust policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of women employees as well as all women who come in contact with the company.
- There is an Internal Complaints Committee (ICC) which is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy. During the year under review the Internal Complaints Committee (ICC) has not received any complaint pertaining to sexual harassment.

23.3 CONTRIBUTION TO EXCHEQUER:

- Your Company contributed an amount of ₹ 10,617.67 Lakh in the form of Duties, Sales Tax, Income Tax and Surcharge during the year 2014-15 as compared to ₹ 11,181 Lakh in the previous year.

23.4 EXTRACT OF ANNUAL RETURN:

- The extract of annual return as provided under sub-section (3) of section 92 of Companies Act 2013 is enclosed at **APPENDIX - III**

23.5 REPORT ON CONVERSION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

- Report on conversion of energy, technology absorption and foreign exchange earnings and outgo is enclosed at **APPENDIX - IV**



23.6 EMPLOYEE WELFARE:

- During the year under report to promote Employee welfare MIDHANI offered Education Scholarship for wards of Workmen / employees of MIDHANI Studying in BPDAV School.
- An “ON JOB” Training policy for the ward of employees of MIDHANI was also implemented to boost the morale and loyalty of employees towards MIDHANI and also to give exposure to young graduates.
- Post Retirement Medical Benefit Scheme (PRMBS) was implemented and medical insurance cards were issued to the beneficiaries both executives and Non-Unionized Supervisors.
- Dr. Brahm Prakash DAV School is run by the Company in MIDHANI Township for the benefit of children of MIDHANI employees. A lot of emphasis is laid on all round development of the child including extra-curricular activities such as Sports, Games, Scouts & Guides etc. Students of the school have brought glory to the school in Academics, Sports & Cultural activities.
- MIDHANI continues to discharge its social obligations by maintaining a small Township consisting of 87 quarters to cater to the housing needs of the employees working in essential services of the company.

23.7 SOCIAL OBLIGATIONS/WELFARE PROGRAMMES:

- Monetary awards were presented to meritorious students/ children of our employees of SC, ST and OBC categories @ ₹ 1000/- per child in each category who scored 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 2014. The awards were presented on 15th August 2014.
- As per the Company scheme a scholarship to the children of employees for pursuing graduation in Metallurgical Engineering has been granted @ ₹ 1000/-p.m., till completion of the course.

23.8 EMPOWERMENT OF WOMEN:

- During the year under report MIDHANI has extended all facilities as per the statutes for the welfare of all its women employees.
- MIDHANI is providing the necessary platform for women employees to realize their potential, take personal responsibility for performing the job with commitment and take pride in what they do and contribute to achieve the organizational goals.
- A program on International Women's Day was organized on 9th March 2015 in Zila Parishad Girl's High School in Kandukur Village, Hyderabad. Quiz and Elocution competitions were conducted for girls of class 8th 9th & 10th. In order to imbibe Self Confidence and Self Protection a demonstration of Self Defense was organized for the girl students of the school.



Participants during the program organized on the International Women's Day on 9th March 2015 at Zila Parishad Girl's High School in Kandukur

- Women employees, both executives and non-executives are nominated for in-house as well as external training programmes.
- The strength of women employees is 69 as on 31.03.2015 as against 65 as on 31.03.2014.
- As a part of MIDHANI's commitment for empowerment of women, a plant for manufacture of Fasteners & Bio Medical implants at a cost of ₹ 7 Crores has been set up.

23.9 IMPLEMENTATION OF RTI ACT 2005:

- MIDHANI a Public Authority under RTI Act 2005 continued to discharge its obligations. The number of information seekers has gone up considerably during the year. In order to have access to information to the Citizens and also as a part of company's philosophy and corporate governance, MIDHANI's web site was updated on continuous basis by uploading the company's news and developments.

23.10 RAJBHASHA IMPLEMENTATION:



The Functional Directors of MIDHANI during the "HINDI DIVAS" celebrations organized for improving awareness and use of Official Language

- During the year under report, MIDHANI has taken all efforts for promoting the use of Hindi in Official work as per the Government of India directives on the Official Language Act 1963, Official Language Rule 1976 and as per the orders issued by Government of India from time to time. Four (4) quarterly meeting of Official Language Implementation Committee were held regularly under the Chairmanship of Chairman & Managing Director of the Company.
- As part of directive received from Ministry of Home Affairs, "HINDI DIVAS" celebrations was organized for improving awareness and use of Official Language. On the occasion of Hindi Divas on 17th September 2014, the 14th Edition of Techno Commercial Annual Hindi House Magazine "SANKALP" was also released.
- During the year under review to encourage the use of Hindi in day-to-day official work, a total of 30 employees were trained in Pragma Courses and Four (4) Hindi Awareness Workshops organized for about 160 employees.

23.11 ENCOURAGEMENT TO SMALL SCALE/ANCILLARY INDUSTRIES:

- MIDHANI continues to encourage and develop MSME Units by regularly sourcing various goods and services from them. Value of goods/services purchased from MSME units stands at ₹ 38.26 Cr. from 70 units.

23.12 ENVIRONMENT MANAGEMENT:

- MIDHANI continued its efforts to maintain and promote ecological balance in and around factory premises by developing and maintaining an extensive plantation. A thick canopy of greenery with thousand of plants of more than 50 species constitutes the green belt in and around MIDHANI. This not only controls air/dust pollution but also attracts birds of different species.

24.0 VIGILANCE:

- 24.1 During the year under report the Vigilance department of MIDHANI was conferred with the best Vigilance Award by M/s. ELETS, New Delhi in August, 2014 at its PSU-2014 Summit event.
- 24.2 Vigilance Awareness Week was observed from 27th Oct - 1st Nov'14 with the theme "Combating Corruption – Technology as an Enabler". Noted political and social activist Dr. Jayaprakash Narayan, Ex-IAS officer delivered the inaugural address and Shri. A. K. Khan, IPS, Director General (ACB) delivered the valedictory lecture.
- 24.3 A Two Day Seminar and Open House Discussion for Vigilance Officials was organized during Feb' 15 under the aegis of Min of Defence, Dept of Defence Production with Resource Persons and Experts from MoD, CBI conducting the sessions. The event saw participation from about 40 Vigilance Officials from all DPSUs and OFBs.



Shri. T. V. Reddy, CVO, MIDHANI (Centre) addressing the participants during the Two Day Seminar and Open House Discussion for Vigilance Officials organized during Feb '15

24.4 Structured meetings with C&MD & CVO were conducted on a quarterly basis for systemic improvements to reduce corruption in organizational activities. Interaction with shop-floor level executives, checking of procurement files, Annual Property Returns of officers and conducting surprise checks remained a continuous activity of Vigilance Department of MIDHANI.

25.0 VIP VISITS:

25.1 Shri. Manohar Parrikar Hon'ble Defence Minister, Government of India visited MIDHANI on 07.02.2015 and evinced keen interest in our production activities and performance of the company.



Shri. Manohar Parrikar Hon'ble Defence Minister being briefed about the MIDHANI products during his visit to MIDHANI on 07.02.2015

25.2 Shri G Mohan Kumar, Secretary, Defence Production visited MIDHANI on October 13, 2014 and witnessed the gamut of production activities and took keen interest in the various types of alloys being manufactured.



Shri G Mohan Kumar, Secretary, Defence Production being briefed about the MIDHANI products during his visit to MIDHANI on 13.10.2014

26.0 CORPORATE GOVERNANCE:

- 26.1 The basic principles and philosophy of Corporate Governance has been followed in letter and spirit in every aspect of Company's decision making in tune with the contemporary demand for good Corporate Governance and the adherence to revised guidelines issued by Govt. of India, Dept. of Public Enterprises from time to time.
- 26.2 A Code of Business Conduct & Ethics applicable to all Board Members and Senior Management has been implemented in the Company. The adherence of which has been confirmed by respective members on an annual basis. A certificate to this effect from Chief Executive has been made a part of the report on Corporate Governance.

- 26.3 A detailed report on Corporate Governance and a report on the Management Discussion & Analysis are enclosed to this report **[APPENDIX - V.] & [APPENDIX - VI]** respectively. The adherence to the guidelines issued by DPE in this regard certified by a practicing Company Secretary is enclosed as a part of the report on Corporate Governance.
- 26.4 In accordance with Revised Grading norms for CPSEs in the matter of compliance of Guidelines on Corporate Governance issued by DPE, your Company has scored rating of 81.23% due to the marks lost because of not appointing Independent Directors. However, if the marks lost because of not appointing Independent Directors are considered then the rating works out to 98.09% during the year under review. Your company has appraised the administrative ministry regarding this situation and has been following up for the appointment of the Independent Directors.

27.0 BOARD OF DIRECTORS:

- 27.1 During the year under review the tenure of Dr. Kota Bhanu Sankara Rao, Non-official part-time director on the board of MIDHANI ended on 24th April 2014 thereby resulting in change of composition in the Board of Directors of MIDHANI.
- 27.2 No presidential orders for fresh appointments of Non-official part-time directors for two posts lying vacant since 9th December 2013 and for one post lying vacant since 25th April 2014 were received as a result of which your company could not have an optimum combination of Independent directors on its Board from the first quarter.
- 27.3 Shri B. G. Raj assumed charge as Director (Finance) vice Shri V. S. Krishna Murthy, Director (Finance) from 1st September, 2014. A brief Bio-Data of Shri. B. G. Raj is also enclosed at **ANNEX- I**.



28.0 DIRECTORS' RESPONSIBILITY STATEMENT:

28.1 Pursuant to the requirement under Section 134 (3) (c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is confirmed as under:

- a. That in the preparation of the annual accounts for the financial year ended 31st March, 2015, the applicable Accounting Standards have been followed along with proper explanations on the material departure;
- b. That the Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates 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. 31st March, 2015 and of the Profit or Loss of the Company for the year ending on that date;
- c. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013, as amended from time to time, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. That the Directors have prepared the accounts for the financial year ended on 31st March, 2015 on a **'going concern'** basis.
- e. That the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

29.0 AUDITORS & AUDITORS' REPORT:

29.1 C&AG of India has appointed M/s. V. Rao & Gopi, Chartered Accountants, Hyderabad, as Statutory Auditors of the Company for conducting audit of accounts for the year ended 31st March, 2015.

29.2 Your Company appointed M/s KRJ & Associates, Cost Accountants, Hyderabad, as Cost Auditors for the year 2014-15 in terms of Section 148 of Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014.

30.0 COMMENTS OF COMPTROLLER & AUDITOR GENERAL OF INDIA:

30.1 The “NIL” comments on the Accounts by the Comptroller & Auditor General of India for the year ended 31st March, 2015 has been placed in this report after the report of Statutory Auditors.

31.0 ACKNOWLEDGEMENT:

- 31.1 Your Directors gratefully acknowledge the valuable support and assistance received from all Govt. agencies particularly from Ministry of Defence, DAE, VSSC, all establishments under DRDO and other agencies of Central and State Govt. Your Directors also place on record their sincere thanks to vendors, Bankers, C&AG, Statutory /Internal Auditors, Chairperson - Audit Committee, Chairmen on other Committees, Advisers, Consultants etc., of the Company for their continued support and guidance during the year.
- 31.2 Your Directors also place on record the appreciation for excellent support and guidance given by Dr. Kota Bhanu Sankara Rao, Independent Director and Shri. V. S. Krishna Murthy, Director (Finance) whose tenure came to end on 24th April, 2014 and 31st August, 2014 respectively.
- 31.3 Your Directors take this opportunity to place on record their deep appreciation for the invaluable contribution made and excellent co-operation rendered by the employees and executives at all levels to propel the Company to greater heights and also in sustaining its growth path in the years to come.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

A handwritten signature in blue ink, appearing to read 'M. Narayana Rao', with a horizontal line extending to the right.

(M. NARAYANA RAO)

CHAIRMAN & MANAGING DIRECTOR

Place: Hyderabad

Date : 04.08.2015

APPENDIX - I

REPRESENTATIONS OF SCs, STs, OBCs, PHCs & Ex-SN AS ON 31.03.2015

Pay Scale & Group	Total No of Employees	Strength of Employees				
		SC	ST	OBC	PHC	Ex-sn
EEXECUTIVES	227	36	9	48	4	2
Group 'A' (₹ 16,400- ₹ 40,500 & above)						
Group 'B' ₹ 12,600 - ₹ 32.500 (Gr-I) ₹ 12,250 - ₹ 31,600 (Non Unionised Supervisory Cadre)	11	-	-	2	-	-
	105	13	4	28	3	-
NON-EXECUTIVES: Group 'C' From ₹ 8,500 - 3% - 20,850 To ₹ 11,750 - 3% - 33,360	355	64	29	128	10	4
Group 'D' From ₹ 6,600 - 3% - 16,310 To ₹ 8,350 - 3% - 20,470	134	29	12	47	5	-

RECRUITMENT OF SCs, STs DURING THE YEAR 2014

Pay Scale & Group	Total re- cruited during the year	No. of posts reserved		No. of candidates appointed	
		SC	ST	SC	ST
Group 'A' ₹ 16,400- ₹ 40,500 & above	3	-	-	-	-
Group 'B' ₹ 12,600 - ₹ 32.500 (Gr-I) ₹ 12,250 - ₹ 31,600 (NonUnionised Supervisory Cadre)	-	-	-	-	-
NON-EXECUTIVES: Group 'C' From ₹ 8,500 -3%- 20,850 To ₹ 11,750-3%- 33,360	2	-	-	-	-
Group 'D' From ₹ 6,600 - 3% - 16,310 To ₹ 8,350 - 3%- 20,470	2 4	- 1	- -	- 1	- -

ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs is as under:

- The CSR policy of MIDHANI aims at developing company specific social responsibility strategies in 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.
- 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) Environment sustainability, ecological balance and conservation of natural resources.
 - (iv) Renewable energy.
 - (v) Cleanliness drive at MIDHANI under "Swachh Bharat".
 - (vi) Women Empowerment.
 - (vii) Promotion of other CSR Activities.
- The CSR policy and the activities undertaken under the CSR policy of MIDHANI can also be viewed at <http://www.midhani.gov.in/csr.jsp>

2. The Composition of the CSR Committee in MIDHANI is as under:

- The CSR & SD Committee shall consist of three or more Directors, out which at least one Director shall be an Independent Director. The Constitution of Committee is as under:

S.No.	Name / Designation of the Directors	Status
1	Part-time-Non-Official/Independent Director	Chairman
2	Director (Finance)	Member
3	Director (Production & Marketing)	Member
4	GM-HR	Permanent Invitee
5	GM-ES	Permanent Invitee
The nomination of Functional Directors on CSR is on Ex-Officio basis.		
Company Secretary shall function as Secretary to the Committee.		

- However due to the tenure end of the Independent Directors on the Board of MIDHANI, the composition of CSR & SD committee was re-constituted by the Board and subsequently meetings of the CSR & SD committee of MIDHANI is being held under the Chairmanship of the Chairman & Managing Director, MIDHANI with the Functional Directors, Director (Production & Marketing) and Director (Finance) acting as members.

3. Average net profit of the company for last three financial years:

- Average Net Profit of the Company for last three financial years is as under:

S.No.	Year	Net Profit / Loss (₹ In Crores)
(i)	2011-12	98.50
(ii)	2012-13	117.78
(iii)	2013-14	121.44

4. Details of CSR spent during the financial year:

- Total amount to be spent for the financial year: ₹ 2.25 Cr.
- Amount unspent, if any; : Nil
- Manner in which the amount spent during the financial year is detailed below:

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: Direct expenditure on projects	Cumulative expenditure upto to the reporting period	Amount spent; Direct or through implementing agency
1.	Promotion of Health Care & Sanitation	a) Implementation of sanitation at Government Schools.	(i) Mobile Ambulance, RR Dist, Telangana. (ii) Sanitation near schools, RR Dist, Telangana.	6,50,000 11,00,000	5,77,257 10,58,850	5,77,257 10,58,850	MIDHANI MIDHANI
		a) Swach Bharat	(i) Construction of Toilets under Swach Bharat mission, RR Dist, Telangana.	-	32,28,026	32,28,026	M/s. SULABH INTL.
		c) Distribution of Aids & Appliances to disabled persons	(i) Supply of aids & appliances for differently able person, RR Dist, Telangana.	-	20,04,105	20,04,105	MIDHANI
2.	Promotion of Education.	Infrastructure facilities to School & Colleges	(i) Facilities/ Infrastructure to Neighboring schools, RR Dist, Telangana.	20,00,000	34,75,907	34,75,907	MIDHANI



		13,00,000	12,27,960	12,27,960	12,27,960	MIDHANI
	(ii) Aids & appliances to HCU visually challenged, RR Dist, Telangana.					MIDHANI
3.	a) Peacock sanctuary	9,00,000	8,97,430	8,97,430	8,97,430	MIDHANI
	b) Drip Irrigation	2,00,000	1,99,740	1,99,740	1,99,740	MIDHANI
	c) Greenery activities at township	4,00,000	5,41,329	5,41,329	5,41,329	MIDHANI
	d) Front end loader	28,16,507	27,65,167	27,65,167	27,65,167	MIDHANI
4.	a) Solar Power Plant	10,00,000	12,05,107	12,05,107	12,05,107	MIDHANI
5.	a) Skill Development Programme	15,00,000	13,30,673	13,30,673	13,30,673	MIDHANI

S. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: Direct expenditure on projects	Cumulative expenditure upto to the reporting period	Amount spent; Direct or through implementing agency
6.	Promotion of Other CSR Activities	a) Contract employees children fees paid to DAV b) Mid-day meal to Government Schools	- -	- -	1,28,700 41,38,500	1,28,700 41,38,500	MIDHANI M/s. Akshaya Patra
7.	Total			1,18,66,507	2,27,78,751	2,27,78,751	

*** Details of implementing agencies:**

- a) M/s. SULABH INTERNATIONAL: M/s. Sulabh International is an NGO in General Consultative Status with the Economic and Social Council of the United Nations. It is an India-based social service organization that works to promote human rights, environmental sanitation, non-conventional sources of energy, waste management and social reforms through education.
- b) M/s. AKSHAYA PATRA: The Akshaya Patra Foundation commonly known as Akshaya Patra is a non-profit organization in India that runs school lunch programme across India. The foundation is also the world's largest non-profit organization. It is an Indian NGO providing the mid-day meal to 1.4 million children every day.



5. In accordance to the provisions of the Companies Act 2013, MIDHANI has spent two per cent of the average net profit of the last three financial years for its CSR & SD activities.
6. The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Sd/-

M. NARAYANA RAO

Chairman & Managing Director
and Chairman, CSR Committee

Sd/-

Dr. D. K. LIKHI

Director (Production & Marketing)
& Member CSR Committee

Sd/-

B. G. RAJ

Director (Finance) &
Member CSR Committee

APPENDIX -III

FORM NO. MGT-9 (EXTRACT OF ANNUAL RETURN)

(as on the financial year ended on 31.03.2015)

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : U14292TG1973GOI001660
- ii) Registration Date : 20th November 1973
- iii) Name of the Company : Mishra Dhatu Nigam Limited
- iv) Category / Sub-Category : Private / Government Company
- v) Registered office address : P.O. Kanchanbagh, Hyderabad - 500058.
- vi) Whether listed company : Unlisted
- vii) Name, Address, Contact details of Registrar & Transfer Agent, if any : N/A

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY: (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Other Alloy Steel in semi-finished forms Special Stainless Steel MDN 172/155/250	72240000	81.2
2.	Titanium and Titanium base Alloys Tital 12/15/31	81080000	11.9

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: N/A

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/SUBSIDIARY/ASSOCIATE
N/A	N/A	N/A	N/A

IV. IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):
(i). Category wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	18,73,399	18,73,399	99.99	-	18,73,399	18,73,399	99.99	0.00
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):-	-	18,73,399	18,73,399	99.99	-	18,73,399	18,73,399	99.99	0.00
(2) Foreign									
a) Individuals (Non-Resident Individuals/Foreign Individuals)	-	-	-	-	-	-	-	-	-

i) Others (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Non-Institutions																					
a) Bodies Corp.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	1	1	1	0.01	-	-	1	1	1	0.01	-	-	-	-	1	1	1	0.01	0.00	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Clearing Members	-	-	-	-	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	1	1	0.01	-	1	1	1	0.01	-	1	1	0.01
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	18,73,400	18,73,400	100	-	18,73,400	18,73,400	18,73,400	100	-	18,73,400	18,73,400	100

* One Equity Share of ₹ 1000/- fully paid is held by C&MD as nominee of President of India

B: Shareholding of Promoter:

SN	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	PRESIDENT OF INDIA	18,73,399	99.99	0.00	18,73,399	99.99	0.00	0.00

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

SN	Shareholding at the beginning of the year	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	-	-	-	-
2.	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer / bonus/ sweat equity etc):	-	-	-	-
3.	At the end of the year	-	-	-	-

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

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
-	-	-	-	-	-

E: Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
-	SHRI. M. NARAYANA RAO	1	0.01	1	0.01

V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at beginning of financial year				
i) Principal Amount	428282949.97	135838246.00	0.00	564121195.97
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	6596000.00	0.00	0.00	6596000.00
Total (i+ii+iii)	434878949.97	135838246.00	0.00	570717195.97
Change in Indebtedness during financial year				
* Addition	136264814.89	0.00	0.00	136264814.89
* Reduction	16184176.00	87000000.00	0.00	103184176.00
Net Change	120080638.89	-87000000.00	0.00	33080638.89
Indebtedness at the end of financial year				
i) Principal Amount	553719184.86	48838246.00	0.00	602557430.86
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	1240404.00	0.00	0.00	1240404.00
Total (i+ii+iii)	554959588.86	48838246.00	0.00	603797834.86

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

SN	Particulars of Remuneration	Name of MD/WTD/ Manager			
		M. Narayana Rao	Dr. D. K. Likhi	B. G. Raj	V. S. Krishnamurthy
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	44,84,784.00	36,17,046.25	18,93,708.08	33,72,161.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5,06,563.00	4,20,356.00	3,62,616.00	1,81,519.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	49,91,347.00	40,37,402.25	22,563,24.08	35,53,680.00
	Ceiling as per the Act				

B) Remuneration to other directors: NIL

SN	Particulars of Remuneration	---	Name of MD/WTD/ Manager	---	Total Amount
1	Independent Directors	-	-	-	-
	Fee for attending board committee meetings				
	Commission				
	Others, please specify				
	Total (1)				
2	Other Non-Executive Directors	-	-	-	-
	Fee for attending board committee meetings				
	Commission				
	Others, please specify				
	Total (2)				
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-

C) REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	470415.27	-	470415.27
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	72587.50	-	72587.50
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total		543002.77		543002.77
	Ceiling as per the Act				

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES : NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

APPENDIX -IV

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

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

A. CONSERVATION OF ENERGY:**(i) Steps taken or impact on conservation of energy:**

- Maximum utilization of re-heating furnaces, by adopting advanced refractory material technology, revamping entire system for efficiency improvements.
- Grouping of materials with similar heating cycle of forging / heat treatment in order to utilize furnace full capacity.
- At Melt Shop – I, the furnaces like VIR and EAF are continuously run i.e. running the furnaces in “C” shift also to utilize the heat remaining in the previous melt and other areas like HRM, CRM and B&WD, thereby direct reduction in energy consumption.
- Introduction of LED lighting system for street lights near QCL Building.

(ii) Steps taken by company for utilizing alternate sources of energy:

- MIDHANI has put efforts to encourage use of non-conventional energy thereby helping in protection of environment and also preservation of natural resource. A 3.5 KW Solar power unit has been set up for pumping of water to plants to develop greenery.

(iii) The capital investment on energy conservation equipment's

- Nil



B. TECHNOLOGY ABSORPTION:

(i) The efforts made towards technology absorption:

- In recent years MIDHANI has not absorbed any technology from foreign collaborators. However, MIDHANI has signed an agreement for TOT on composite Armour for Mi-17 Helicopters with DMRL on 29/10/12. Under this TOT we have successfully supplied 30 sets of composite armoured panels to 3 BRD, Chandigarh during FY 14-15.

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

- 100% indigenization has been obtained in composite armour technology for Indian Air Force thereby improved protection levels in Mi-17 helicopters.

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

- Nil

(iv) The expenditure incurred on Research and Development:

- MIDHANI incurred an expenditure of ₹ 8.45 Crore during the F/Y 2014-15 for R&D activities.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- During the year, the total foreign exchange used was ₹ 12543.90 Lakh and there was no total foreign exchange earned.

REPORT ON CORPORATE GOVERNANCE

1.0 COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

- 1.1 **MISHRA DHATU NIGAM LIMITED (MIDHANI), a MINI-RATNA-Category - I** company, believes that its business role needs to be performed by observing the fundamental principles of Corporate Governance like honesty, integrity, accountability, adequate disclosures, legal compliances, decision making without conflict of interest. As a Good Corporate Citizen the Company also strives to carry out its Mission, Objectives and Business obligations with good Corporate Values, highest standards of ethics in all spheres. The good Governance, it practices, is based on its stated belief and the guidelines of the Government of India issued from time to time which enables the Company to go a long way in enhancing values for all those who are associated with the Company - Owners, Customers, Suppliers, Creditors, Govt. agencies and society at large. Towards this direction, the Board exercises its fiduciary role towards the Company with effective accountability, respect for law, maintaining Corporate Governance standard beyond law, putting systems in place for planning, budget, internal controls, risk-management, communication policy on various facets of Company's operations including creation of environment for growth and development of human resources.

2.0 BOARD OF DIRECTORS:

2.1 COMPOSITION & DETAILS OF THE BOARD MEMBERS:

- 2.1.1 In accordance with the provisions of Articles of Association of the Company, as amended from time to time, the minimum and maximum strength of the Board of MIDHANI is 2 and 15 respectively. The directors need not hold any qualification shares.



2.1.2 During the year under report, the composition of the Board was in accordance with guidelines issued by Dept. of Public Enterprises (DPE) and the provisions of Companies Act 2013. As on 31st March 2015, the Board of MIDHANI consisted of **FIVE (5)** Directors including Chairman & Managing Director. In addition to this, one (1) Permanent Special Invitee is nominated on the Board by Ministry of Defence thereby taking the Board's composition as under.

(a) Functional/Whole time Directors : 3 (Three)

- (i) **Shri. M. Narayana Rao**
Chairman & Managing Director
- (ii) **Dr. D. K. Likhi**
Director (Production & Marketing)
- (iii) **Shri. B.G. Raj,** [From 1st September, 2014]
Director (Finance)
- (iv) **Shri. V.S. Krishna Murthy** [Upto 31st August, 2014]
Director (Finance)

(b) Part-time Official/Government Directors: 2 (Two)

- (i) **Smt. Kusum Singh,**
Joint Secretary (Personnel & Coordination),
Dept. of Def. Production,
Ministry of Defence
- (ii) **Dr. G. Malakondaiah**
Distinguished Scientist,
CC R&D(HRM),
DRDO,
Ministry of Defence

- (c) **Part-time Non-Official Directors:** 1 (One)
 - (i) **Dr. Kota Bhanu Sankara Rao** [Upto 24th April, 2014]
Ministry of Steel Chair Professor,
Mahatma Gandhi Institute of Technology,
Hyderabad
- (d) **Permanent Special Invitee to Board :** 1 (One)
 - (i) **Shri. P. K. Kataria**
Addl. FA & JS,
Ministry of Defence (Finance)
Govt. of India

2.2 The existing Articles of Association of the Company provides for appointment of all Directors by the President of India. The Directors appointed were persons of eminence in respective fields of their activity.

2.3 The Chairman & Managing Director and Functional Directors were appointed by Govt. of India, initially for a period of 5 years or till the age of superannuation or until further orders whichever is earlier. The extension of service thereafter shall be with the approval of Appointment Committee of Cabinet (ACC). The Independent Directors are normally appointed by ACC, initially for a period of 3 years or until further orders whichever is earlier. Any extension or re-appointment shall be to the extent of guidelines issued by Govt. of India in this behalf.

3.0 MEETINGS OF THE BOARD AND ATTENDANCE THEREOF:

3.1 The Board met, five (5) times during the financial year under report as compared to statutory minimum requirement of four (4) meetings per year. The dates and attendance of directors at such meetings are given below:

Sl. No.	Number of the Meeting	Date of the Meeting	Board Strength	No. of Directors Present
1.	215	13.05.2014	5	4
2.	216	02.07.2014	5	5
3.	217	27.08.2014	5	4
4.	218	06.12.2014	5	5
5.	219	26.02.2015	5	4

Leave of absences were recorded at every Meeting in case of inability expressed by any Director to attend the meeting due to unavoidable reasons.

The Attendance of individual Directors is placed at: **ANNEXURE: II(A)**

The special invitee(s) for board meetings has/have attended 3 meetings as against 5 meetings required to be attended.

- 3.2 As per DPE guidelines, Company has nominated Chairperson of Audit Committee and/or another Member of the Audit Committee for the purpose of according prior approval to related party transactions under Accounting Standard -18.
- 3.3 All Board Members had disclosed to Board about the personal, official and other pecuniary interests, held by them in any proprietary, partnership or Company, whether in individual capacity or together with their relatives not only at the time of their appointment on the Board but also as and when such appointments were held. Such disclosures are being renewed every year. Such disclosures made at the Board meeting held at the end of the year 2014-'15 are furnished hereunder:

S. No.	Name of the Director	Bodies corporate in which the Director is interested	Nature of interest and the date from which interested.
1	Shri. M. Narayana Rao	1. Andhra Pradesh Gas Power Corporation Limited, Hyderabad	Part-time Director w.e.f. 30.09.2010
		2. International Advanced Research Centre for Powder Metallurgy and New Materials (ARCI), Hyderabad	Member on the Governing council
		3. Nuclear Fuel complex, Hyderabad	Member as Board of Management
2	Dr. D.K. Likhi Director (Prodn.&Mktg.)	1. The Indian Institute of Metals, Kolkata	Life Member
		2. Indian Institute of Material Management, Navi Mumbai	Life member
		3. National Institute of Personnel Management South Conclave, Kolkata	Life Member
		4. Global Institute of Flexible Systems management, New Delhi	Life member
		5. Strategic Alliance Professionals Association, Hyderabad	President
3	Other Members of the Board	NIL	NIL

3.4 Two (2) resolutions were passed through circulation amongst Directors during the year under report.

4.0 ANNUAL GENERAL MEETINGS:

- 4.1 All the Annual General Meetings of the Company were held at the Registered Office of the Company. The details of such meetings for the last 3 years is as under:

Number of AGM	Financial Year	Date of the Meeting	Time of the Meeting	Venue of the Meeting
38	2011-12	24.09.2012	1100 Hours	M/s. Mishra Dhatu Nigam Ltd., Regd. Office, P.O. Kanchanbagh, Hyderabad - 500 058
39	2012-13	26.09.2013	1000 Hours	
40	2013-14	19.09.2014	1000 Hours	

- 4.2 The Company has not passed any Resolution through “Postal Ballot” during the year under report.

5.0 BOARD’S COMMITTEES THEIR SCOPE & MEETINGS THERE OF:

- 5.1 MIDHANI has the following Seven (7) Committees of the Board and One (1) apex level internal committee called as Corporate Management Committee as on 31st March 2015:

5.2 AUDIT COMMITTEE (AC):

5.2.1 The AC was originally constituted by Board of Directors of the Company in the year 2001 in accordance with the directions given by Administrative Ministry. It was later functioning by virtue of guidelines issued by Department of Public Enterprises (DPE), Ministry of Heavy Industries & Public Enterprises, Government of India.

5.2.2 The terms of reference to AC was broadly based on the guidelines suggested by DPE applicable to Central Public Sector Undertakings (CPSUs). Such Terms of reference are being updated, professionalized and adopted by the Board of Directors of the Company from time to time. A copy of such terms of reference is placed at **ANNEXURE: III (i)**

5.2.3 The AC had been functioning with three (3) Members who are independent directors on the Board; all the members of AC, the Chairperson in particular had good knowledge of accounting and expertise in financial matters. However after the tenure end of the Independent Directors on the Board of MIDHANI, Smt. Kusum Singh, Government Nominee Director on the Board is acting as the Chairperson with Dr. G. Malakondaiah, Government Nominee Director and Dr. D. K. Likhi, Director (Production & Marketing) acting as member. The Committee regularly interacts with the representatives of external audit firms carrying out Internal Audit work of the Company and takes stock of all the finance related matters.

5.2.4 The details of constitution of Audit Committee as on 31st March 2015 is as under:

S. No	Name of the Director	Status	Date of Appointment or change in the Committee
1	Smt. Kusum Singh, Part-time Official Director	Chairperson	From:13.05.2014
2	Dr. G. Malakondaiah, Part-time Official Director	Member	From:13.05.2014 To :16.04.2015
3	Dr. D. K. Likhi, Director (Production & Marketing)	Member	From:13.05.2014
4	Shri. P.K. Kataria Addl.FA& JS	Special Invitee	From:13.05.2014
5	Director (Finance)	Permanent Invitee	Since formation of the Committee
6	Representatives of Statutory Audit Firm	-do-	-do-
7	Representatives of External Chartered Accountant firms doing Internal Audit work	On Invitation	-do-
The Company Secretary acts as Secretary of the Committee.			



- 5.2.5 The Audit Committee shall meet at least four (4) times during any financial year and not more than four months shall elapse between two meetings.
- 5.2.6 The quorum for AC meetings is two (2) members personally present.
- 5.2.7 Statutory Auditors, Director (Finance) / Head of Finance, were made Permanent Invitees to the Meetings.
- 5.2.8 The Chairperson of the Audit Committee and / or another Independent Part-time Non-Official Director who is also a member of the Audit Committee, has / have been designated as person(s) responsible for according prior approval for related party transactions as contemplated under DPE guidelines and under Accounting Standard - 18.
- 5.2.9 Five (5) meetings of the Audit Committee were held during the year 2014-15. The dates on which such Meetings were held and the attendance of Directors/Members thereof is furnished below:

Attendance of Directors in Audit Committee Meetings				
S. No.	Number of the Meeting	Date	Committee Strength	No. of Directors Present
1.	43	13.05.2014	3	2
2.	44	02.07.2014	3	3
3.	45	29.09.2014	3	2
4.	46	25.11.2014	3	3
5.	47	26.02.2015	3	2
Leave of absences were recorded at every Meeting in case of inability expressed by any Director / Member to attend the Meeting due to unavoidable reasons.				
The Attendance of individual Directors is placed at: ANNEXURE: II (A)				

5.3 PROCUREMENT COMMITTEE (PC):

5.3.1 The PC has been constituted by Board of Directors of the Company on 22.01.2008 for the purpose of authorizing procurement of materials beyond the individual delegated powers of Chairman & Managing Director.

5.3.2 The terms of reference to PC as on date is placed at **ANNEXURE: III** (ii).

5.3.3 The details of constitution of Procurement Committee as on 31st March 2015 is as under:

S. No.	Name / Designation of the Directors	Status	Date of Appointment or change in the Committee
1.	Chairman & Managing Director,	Chairman	22.01.2008
2.	Director (Finance)	Member	22.01.2008
3.	Director (Production & Marketing)	Member	01.09.2011
4.	Dr. Kota Bhanu Sankara Rao	Member	From: 22.07.2011 To: 24.04.2014
The nomination of Functional Directors on PC was on Ex-Officio basis.			
The Company Secretary acts as Secretary of the Committee.			

5.3.4 The quorum of the Committee shall be minimum of three (3) members personally present and one of whom shall be a part-time non-official Director. However after the tenure end of the Independent Director Dr. Kota Bhanu Sankara Rao, the Committee has been functioning with C&MD as Chairman and the Functional Directors as its members with minimum of two (2) members being the quorum for the meeting. The Minutes of the PC meetings were regularly put up to the Board for its information and duly noted by the Board.

5.3.5 There were thirteen (13) meetings of PC during the financial year 2014-'15. The dates on which such Meetings were held and the attendance of Directors / Members thereof is furnished hereunder:

Attendance of Directors in Procurement Committee Meetings			
S. No.	Date of the Meeting	Committee's Strength	No. of Directors Present
1.	15.05.2014	3	3
2	26.06.2014	3	3
3	23.07.2014	3	3
4	29.09.2014	3	3
5	11.10.2014	3	3
6	29.11.2014	3	3
7	11.12.2014	3	3
8	22.12.2014	3	2
9	23.01.2015	3	3
10	29.01.2015	3	3
11	11.02.2015	3	3
12	10.03.2015	3	3
13	22.03.2015	3	3
Leave of absences were recorded at every Meeting where the Directors expressed their inability to attend due to unavoidable reasons.			
The Attendance of individual Directors is placed at: ANNEXURE: II (B)			

5.4 REMUNERATION COMMITTEE (RC):

5.4.1 The RC was originally constituted by Board of Directors on 28.04.2009 to lay down norms for determining and disbursing the quantum of Performance Related Pay (PRP) as envisaged in the guidelines issued by DPE in OM dt. 26.11.2008. It was then reconstituted on 24.01.2011 having an Independent Director on the Board as Chairman with the Chairperson of Audit Committee also acting as Chairperson RC. However, due to the tenure end of two Independent Directors on the Board Smt. Indu Liberhan and Dr. Dipankar Banerjee, the RC was again reconstituted on 26th December, 2013 having one Independent Director Dr. Kota Bhanu Sankara Rao as Chairman and two Government Directors as members.

5.4.2 The main purpose of RC is to consider all relevant issues contained in the above DPE OM relating to Variable Pay or Performance Related Pay applicable to all Executives (including those at Board level) and Non - Unionized Supervisors in the Company.

5.4.3 The terms of reference to RC is enclosed [ANNEXURE-III (iii)]

5.4.4 The Composition of RC as on 31st March, 2015 is as under:

S. No.	Name of the Director	Status	Date of Appointment or change in the Committee
1.	Dr. K. Bhanu Sankara Rao, Part-time-Non-Official Director	Member	From:22.07.2011 To : 08.12.2013
		Chairman	From:26.12.2013 To: 24.04.2014
2.	Smt. Kusum Singh, Part-time-Official Director	Member	26.12.2013
3.	Dr. G. Malakondaiah, Part-time-Official Director	Member	-do-

5.4.5 The Committee can frame its own guidelines for conducting its meetings.

5.5 HUMAN RESOURCES COMMITTEE (HRC):

5.5.1 The HRC was constituted by the Board of Directors on 22.07.2011. Headed by an Independent Director the objective of the 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.

5.5.2 The terms of reference to HRC is placed at **ANNEXURE: III (iv)**.

5.5.3 The Composition of the HRC on 31st March, 2015 is as follows:

S. No.	Name of the Director	Status	Date of Appointment or change in the Committee
1.	Dr. K. Bhanu Sankara Rao, Part-time-Non-Official Director	Member	From:22.07.2011 To : 24.04.2014
2.	Director (Finance)	Member	22.07.2011
3.	Director (Production & Marketing)	Member	01.09.2011
The nomination of Functional Directors on HRC was on Ex-Officio basis.			
The Head of HR Department shall be the Secretary of the Committee.			

5.5.4 The quorum of the HRC shall be at least Three (3) members personally present, one of whom shall be a Non-official Director.

5.5.5 The Committee can frame its own rules of functioning.

5.5.6 No meetings of the Human Resources Committee were held during the Financial Year 2014-15.

5.6 TECHNICAL COMMITTEE (TC):

5.6.1 The Technical Committee (TC) started functioning w.e.f. 24.01.2011. It was constituted by Board of Directors with a primary objective of studying technological aspects that needed attention of the Company and to carry out technical study of MIDHANI operations, more particularly in the Modernisation, Up-gradation and Expansion programmes under implementation or proposed to be undertaken in near future.

5.6.2 The Terms of reference to TC is enclosed as **ANNEXURE: III (v)**.

5.6.3 The composition of TC consists of members of the Board having technical expertise in metallurgy, the constitution of TC is as follows:

S. No.	Name of the Director	Status	Date of Appointment or change in the Committee
1.	Shri. M Narayana Rao Chairman & Managing Director	Chairman	24.01.2011
2.	Dr. G. Malakondaiah Part-time-Official Director	Member	24.01.2011
3.	Dr. K. Bhanu Sankara Rao, Part-time-Non-Official Director	Member	From: 24.05.2011 To: 24.04.2014
4.	Dr. D. K. Likhi Director (Production & Marketing)	Member	01.09.2011

5.6.4 The Committee can frame its own guidelines for conducting its meetings.

5.6.5 No meetings of the Technical Committee were held during the Financial Year 2014-15.

5.7 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE & SUSTAINABLE DEVELOPMENT COMMITTEE (CSR & SD):

- 5.7.1 Pursuant to the Guidelines issued by Dept. of Public Enterprises, during April, 2010, the Board constituted a Committee called as “Corporate Social Responsibility Committee” having an independent Director as its Chairman.
- 5.7.2 The committee recommended a policy to be pursued by the Company in the matter of its Corporate Social Responsibility and the same has been approved by Board of Directors.
- 5.7.3 The CSR activities of MIDHANI are carried out in line with the CSR Policy of MIDHANI which is also available at the company website: www.midhani.gov.in
- 5.7.4 The Constitution of the CSR Committee as per the above policy is as under:

S. No.	Name / Designation of the Directors	Status
1.	Part-time-Non-Official/Independent Director	Chairman
2.	Director (Finance)	Member
3.	Director (Production & Marketing)	Member
4.	GM-HR	Permanent Invitee
5.	GM-ES	Permanent Invitee
The nomination of Functional Directors on CSR is on Ex-Officio basis.		
Company Secretary shall function as Secretary to the Committee.		

- 5.7.5 The committee however due to the absence of the Independent Director on Board of MIDHANI has been functioning with Chairman & Managing Director acting as the Chairman and the Functional Directors as its members.
- 5.7.6 During the year 2014-15, two (2) Meetings of CSR Committee were held, the details are as under.

Attendance of Directors in Corporate Social Responsibility			
Committee Meetings			
Sl. No.	Date	Committee's Strength	No. of Directors Present
1.	13.01.2015	3	3
2.	17.02.2015	3	3
Leave of absences were recorded at every Meeting in case of inability expressed by any Director due to unavoidable reasons			
The Attendance of individual Directors is placed at: ANNEXURE: II (B)			

5.8 DELIVERY REVIEW COMMITTEE (DRC):

5.8.1 The Delivery Review Committee was constituted w.e.f 24.07.2012 having an independent Director as its Chairman. The committee was constituted to carry out a periodic review to ensure timely deliveries as also to monitor the delivery schedules on a continuous basis.

5.8.2 The Constitution of the DRC Committee is as under:

S. No.	Name / Designation of the Directors	Status
1.	Dr. K. Bhanu Sankara Rao Part-time-Non-Official Director	Chairman till 24.04.2014
2.	Director (Finance)	Member
3.	Director (Production & Marketing)	Member
General Manager (P&P) shall act as the Secretary of the Committee.		

5.8.3 During the year 2014-'15, no meetings of DRC Committee were held.



5.9 CORPORATE MANAGEMENT COMMITTEE (CMC):

- 5.9.1 In order to have effective planning, organizing, coordinating and controlling the day to day operations of Management, 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).
- 5.9.2 CMC plays important roles in resolving inter / intra departmental delays or bottlenecks and strives to achieve free flow of work at various levels within the organization.
- 5.9.3 The terms of reference to the Committee is given in **ANNEXURE: III (vi)**,
- 5.9.4 The meetings of CMC were regularly 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.
- 5.9.5 The Committee normally meets twice a month with the Company Secretary acting as the Secretary of the Committee.

6.0 CODE OF BUSINESS CONDUCT & ETHICS FOR DIRECTORS AND SENIOR EXECUTIVES:

- 6.1 The Code of Business Conduct & Ethics was revised by Department of Public Enterprises during April, 2010, while framing its guidelines relating to Corporate Governance, this was adopted by MIDHANI in respect of its Directors and Senior Level Executives. A copy of the same is enclosed as **ANNEXURE: IV**
- 6.2 The said code is also available on the company’s web-site. The Directors and the Senior Executives have given declarations affirming the compliance with the code of conduct during the year under report.
- 6.3 A Certificate on such Compliance issued by CEO of the Company is placed as a part of this report at **ANNEXURE: V**

7.0 DISCLOSURES:

- (i) During the year there were no transactions of material and significant nature with the Shareholders, Directors or Senior Management personnel or their relatives that had potential conflict with the interest of the Company at large and attracting the provisions of Section 188 of the Companies Act, 2013, except salaries, fees, perquisites allowed and PRP as per extant rules of the Company.
- (ii) Disclosure of related party transactions as per Accounting Standard - 18, issued by the Institute of Chartered Accountants of India, is given in note no 26 of the notes forming part of Annual Accounts for 2014-'15. All the transactions covered under related party transactions were fair, transparent and at arms' length and were pre-approved by competent authority nominated for this purpose.
- (iii) No penalties and strictures were imposed on the Company by any Statutory Authority on any matter related to any guidelines issued by Government during last 4 years.
- (iv) A formal Whistle Blower policy and Risk Management system is framed. During the year under report no personnel have been denied access to the Members of the Audit Committee or its Chairman.
- (v) Presidential Orders were received in respect of Shri. B.G. Raj, General Manager (Commercial & Business Development) who has been appointed as Director (Finance) vide letter No.2(9)/2013/MDN/D(NS-I) dt. 11th July, 2014 from 01.09.2014.
- (vi) 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.
- (vii) There were no items of expenditure included in the Financial Statements which are incurred not for purposes of the business.



- (viii) The Administrative and Office Expenses as a percentage of total expenses was 2.82 % as compared to 3.13 % in the previous year and such percentage in respect of financial expenses was 1.24 % when compared to 0.92 % in the previous year.
- (ix) No extravagancy was found in the Expenditure on the part of the Board Members and Senior Management Personnel.
- (x) The deviation from Accounting Standards, if any, has been explained by the Directors in their report to shareholders.

8.0 COMMUNICATION:

- 8.1 The means of communication is friendly between the company and its Shareholders, Directors, Customers, Suppliers, other Associates and Stakeholders.
- 8.2 A factual report on the compliance of Corporate Governance Guidelines is being regularly furnished to the Administrative Ministry on quarterly basis.
- 8.3 A compliance report by a practicing Company Secretary regarding compliance of the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by Dept of Pubic Enterprises is made part of this Report at **ANNEXURE: VI**

9.0 MANAGEMENT DISCUSSION AND ANALYSIS REPORT

- 9.1 A separate report is enclosed at **APPENDIX: VI**

MANAGEMENT DISCUSSION AND ANALYSIS

1.0 INDUSTRY STRUCTURE AND DEVELOPMENTS:

- 1.1 MIDHANI is a Public Sector Undertaking under the Administrative control of Dept. of Defence Production, Ministry of Defence, Government of India, incorporated on the 20th Day of November 1973. The main object of the company is to manufacture and process various grades, types, sizes of steels, titanium and super alloys in particular and other special metals and their alloys in the form of ingots, billets, forgings, rolled plates, sheets and strips, wires, tubes, and other sintered, fabricated shapes and forms required for aircraft, rockets, missiles, electronics, instruments, and allied industries in India or elsewhere either independently or in collaboration with others.
- 1.2 MIDHANI has single manufacturing unit with Registered Office situated in Hyderabad in the State of Telangana and possess wide range of facilities recognized in metallurgical industry and produces wide variety of products applying varied state-of-art technologies and processes under one roof and is one of its kind in whole of Asia. MIDHANI aims at achieving self-reliance in the research, development, production and supply of strategic materials and products for critical and hi-tech engineering applications.
- 1.3 The Company mainly caters to the needs of critical materials and alloys required by strategic sectors of our country like Defence, Space, Atomic Energy, Aeronautics etc. The products produced by MIDHANI are basically import substitutes which were denied to India by western world and their non-availability would have affected various prestigious National programs of the country. With the constant developments made over the years in various operational areas, by utilizing in-house R&D capabilities; your company indigenized various critical technologies, alloys and products which reduced dependence on imports of these critical materials.



2.0 ORGANISATION:

- 2.1 The main operative Divisions/Departments of the company consisted of Production Planning & Control, Production Divisions, Technology, Methods & R&D Depts, Projects, Quality Control. The production function is optimally integrated to Material Planning & Procurement, Marketing, Finance and other logistic Divisions.
- 2.2 **Nature of Operations:** MIDHANI continues to focus on carrying out improvements in operational processes and product improvements by putting in place, a robust monitoring model to achieve repeatable and predictable results. The necessity to fulfill the ever increasing demands for stringent specificational requirements of the Strategic customers of the Company provides the basic thrust and driving force to the organization to suitably frame its policies and procedures in every sphere of organizational activity to discharge its goal.

3.0 STRENGTH AND OPPORTUNITIES: The SWOT analysis is given in **ANNEXURE :VII.**

4.0 SECTOR WISE PERFORMANCE:

- 4.1 Presently majority of MIDHANI's products cater to strategic sectors viz Ordnance Factories (OFB), Defence Research and Development Organization (DRDO) and applications of Air, Naval, Land Forces; Indian Space Research Organization (ISRO), Department of Atomic Energy (DAE), etc. In addition MIDHANI also supplies special alloys to commercial sector including Larsen & Toubro, Wallchandnagar etc., which also goes into Defence and Atomic energy sectors of our country.
- 4.2 The alloy wise performance in the turnover for the last 2 years is given hereunder:

GRADE	2014-2015		2013-2014	
	Qty.	Value (₹ Crore)	Qty.	Value (₹ Crore)
Super alloys, Titanium Alloys and Special Stainless Steels, etc.,	4,732	655.70	4,111	562.71

The order book position stood at ₹ 887 Cr. at the beginning of the year 2015-16 and with the commissioning process of the newly procured equipments in its final stage there will be a substantial improvement and enhancement of the supply level during the year 2015-16.

5.0 MODERNISATION & UP-GRADATION PROGRAM:

- 5.1 In an ambitious plan to become a global player in the field of SUPERALLOYS, Special Steels, Titanium and Titanium alloys and in an effort to supply finished components as against semis and mill forms, MIDHANI has embarked on an expansion phase augmenting, expanding and revamping its age old in-house production facilities with contemporary technologies available elsewhere in the world and also developing new applications for the existing products.
- 5.2 Under Phase-I an investment of around ₹ 151Cr. was envisaged for revamping /upgrading /enhancing production capacities. Under Phase-II the main focus was to enhance Production capacities of equipment with additions at a cost of ₹ 205 Cr. Prominent among them were; New 6000 T Forge Press with 20 T Manipulator with an estimated investment of ₹ 140 Cr.; Radial Axial Ring Rolling Mill with an estimated cost of ₹ 40 Cr.; Establishment of a New Fastener Plant, R&D Building, Corporate Building & Administrative Building with an expected capital outlay of ₹ 32 Cr.; Installation of 20 Ton Electric Arc Furnace with Vacuum Degassing (VD) / Vacuum Oxygen Decarbursing (VOD) and Ladle Refining Furnace (LRF) at a cost of ₹ 30 Cr. under funding from OFB. Under Phase-III a major expansion program at an estimated investment of ₹ 432Cr. for setting up of balancing facilities funding coming from ASL, DRDO to the extent of ₹ 200 Cr. and ₹ 307 Cr. from OFB was envisaged and the work in respect of the same is at an advanced stage. Many future projects have been planned under phase-IV and company plans to diversify its product profile under phase-V.

6.0 RISKS AND CONCERNS:

- 6.1 The volatile nature of prices and non- availability of critical imported raw material in the International market coupled with unfavorable trend in exchange rates of Rupee Vs US\$, play adversely on the competitive edge

of the Company. The exact prediction of timing and the price at which most economic buying can be resorted to has become highly volatile.

- 6.2 Difficulties / delays are expected to arise in supplying critical equipment to MIDHANI by some countries in the Western World. This coupled with the wide fluctuations in foreign exchange rates i.e ₹ vs. US\$ & Euro, is expected to result in heavy cost and time overruns in executing company's expansion projects.
- 6.3 In order to gain confidence and trust from major customers of the Company, concrete action plans were implemented in the area of cost reduction, yield improvement, optimizing process parameters to ensure uncompromising quality.
- 6.4 **Power & Fuel Costs:** Several shop floor controls were introduced to contain costs on Power and Fuel at optimum levels and indices from reputed industry leaders for bench marking was evolved during the year for effective monitoring of consumption of those inputs.
- 6.5 **Meeting Customers stringent and dynamic technical specifications:** Company's aim to achieve its customer's stringent and dynamic technical specifications with innovative activities and improvements in processes, products, product applications etc., with technological excellence and expertise.
- 6.6 Horizontal and vertical integration of company's activities with the activities of its major customers and suppliers is another area where Management has continued its efforts during the year under report for achieving better results.
- 6.7 **Timely Deliveries:** Ensuring timely deliveries has been the main area of attention of Management. In order to expedite deliveries and cut down the incidence of contractual penalties and damages for delayed deliveries; strategic decisions like outsourcing of some of the company's operations to premier institutions were resorted to in the non-core area of functioning of the Company wherever such facilities are cost effective and quicker.

7.0 INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

7.1 The company has put in place all required internal controls and systems to meet all the canons of financial propriety. External Audit firms who were engaged to carry out internal audit, continue their efforts to ensure adequacy of such systems, controls and report thereon which were subjected to periodical review by Audit Committee appointed by Board.

8.0 FINANCIAL PERFORMANCE

8.1 *The Summarized financial position for the Financial year 2014-15 and for the 2 preceding Financial Years is given below:*

(Figures in ₹ Crores)

Sl. No.	Particulars	2014-15	2013-14	2012-13
I	LIABILITIES			
a)	(i) Paid Up Capital	187.34	187.34	187.34
	(ii) Share Application Money	-	-	-
	(iii) Reserves and Surplus	313.81	257.79	219.43
b)	Loan Funds	14.34	18.18	13.58
c)	Deferred Taxes	15.47	6.43	0.32
d)	(i) Current Liabilities & Provisions	505.59	668.70	617.77
	(ii) Non-Current Liabilities	77.35	211.40	329.38
	(iii) Long Term Provisions	0.56	0.49	14.92
	TOTAL	1114.46	1350.33	1382.74
II	ASSETS			
e)	Net Block	244.28	115.48	68.18
f)	Capital Work in Progress	9.44	117.93	135.02
g)	Investments	2.10	2.10	2.10
h)	(i) Long term loans and advances	1.60	1.39	2.87

	(ii) Non-Current Assets	-	0.01	0.06
i)	Current Assets, Loans and Advances	857.04	1113.42	1174.51
	TOTAL	1114.46	1350.33	1382.74
j)	Working Capital	351.45	444.72	556.74
k)	Capital Employed	595.73	560.20	624.91
l)	Net Worth	501.15	445.13	406.77
m)	Net worth per rupee of paid up capital (₹)	2.68	2.38	2.17

8.2 WORKING RESULTS

8.2.1 The company is expected to achieve “EXCELLENT” MoU rating for all round growth and overall financial and operational performance in the year 2014-'15. The significant highlights of the performance for the year 2014-'15 and a comparison with the previous two years are as under:

8.2.2

(Figures in ₹ Crores)

Sl. No.	Particulars	2014-15	2013-14	2012-13
1	Sales - To Customers (Incl. ED)	655.70	562.71	499.46
	Sales – Export	-	-	-
	Sales - Dispatches to Sub-Contractors	-	-	59.13
2	Value of Production (Incl. ED)	648.37	572.26	537.37
3	Cash Profit (Excl prior period items)	148.23	126.34	118.18
4	Profit Before Tax	138.51	121.44	117.78
5	Net Profit (PAT)	102.13	82.46	82.52
6	Value Added	436.41	376.19	359.98
7	Value added per employee	0.5220	0.4161	0.3689
8	Productivity per employee	0.7756	0.6330	0.5506

9	Value added per direct worker	1.327	1.048	0.930
10	Paid up Capital	187.34	187.34	187.34
11	Share Application Money	-	-	-
12	Capital Employed	595.73	560.20	624.91
13	Net Worth	501.15	445.13	406.77
14	Working Capital	351.45	444.72	556.74
15	No of Employees	836	904	976

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

(Figures in Percentage % unless specified)

Sl.No	Particulars	2014-15	2013-14	2012-13
A.	Liquidity Ratios			
	Current Ratio	1.70	1.67	1.90
B	Profitability Ratios			
a)	Profit Before Tax to			
	i) Capital Employed (%)	23.25	21.68	18.85
	ii) Net worth (%)	27.64	27.28	28.95
	iii) Sales (%)	21.12	21.58	21.08
b)	Profit After Tax to Equity (%)	54.51	44.02	44.05
c)	Earnings Per Share (in Rupees)	545.15	440.18	440.47

8.2.4 Amount available for Appropriation:

The amount available for appropriation is ₹ 102.13 Cr. as against ₹ 82.46 Cr. in the previous year.

9.0 HUMAN RESOURCE DEVELOPMENT

9.1 The total manpower strength of MIDHANI as on 31.3.2015 is 836 as under:

Gender	Non-Executives	Non-Unionized Supervisors	Executives	Total
Male	451	101	215	767
Female	38	4	27	69
Total	489	105	242	836
Previous Year	523	124	257	904

9.2 The rational distribution of man power between Administration and Production Depts., and between non-executives and executives, optimum degree of automation in operations are some of the areas that received focused attention during the year under report.

9.3 Considering the age mix of the employees, and the major natural separations taking place in the year under report and also during the years to come, your Company is aware that it needs to focus its attention in re-deployment and fresh induction of contemporary skills and expertise from the market.

9.4 Employees Remuneration

9.4.1 The total expenditure incurred on the Employees remuneration for the year 2014-15 was ₹ 95.14 Cr. as against previous year expenditure of ₹ 96.64 Cr. The details are :

(Figures in ₹ Lakh)

S. No	Particulars	2014-2015	2013-2014
1)	Salaries and Wages	6527.81	6632.20
2)	Cont. to Provident Fund & EPS	571.14	594.76
3)	Gratuity	79.82	339.26
4)	Leave Encashment	298.73	406.88
5)	Staff Welfare Expenditure (Net)	1784.08	1443.23
6)	Leave Salary & Pension Contribution	252.59	247.32
	TOTAL	9514.17	9663.65

9.4.2 Remuneration to Members of Board:

- (i) The Official Directors on the Board of the Company are not entitled to any salary, perquisites allowances, bonuses, stock options, pensions, Performance Related Pay (PRP) etc. at the expense of the company.
- (ii) The Part-time Non-official Directors on the Board of the Company are not entitled to any remuneration except sitting fees for attending meetings of the Board or its committees thereof at ₹ 15,000/- (Rupees Fifteen Thousand only) per meeting (including its adjournment for next day). They were also reimbursed TA/DA expenses for attending the Meetings of the Board or its Committees.
- (iii) The Remuneration of Functional Directors of the Company is approved by President of India with detailed terms and conditions of appointment, under the provisions of Articles of Association of the Company. They were paid remuneration during the year 2014-15 as shown below:

No.	Remuneration to Functional Directors	Amount (₹ Lakhs)	
		2014-15	2013-14
1.	Salaries and Wages	115.85	121.21
2.	Cont. to Provident Fund & EPS	6.65	6.37
3.	Gratuity	10.00	-
4.	Leave Encashment	2.48	-
5.	TOTAL	134.98	127.58

- (iv) No Member of the Board of the Company is entitled for any severance fees, stock option entitlements from the Company.



10.0 CORPORATE SOCIAL RESPONSIBILITY

MIDHANI as a corporate citizen has been discharging its social responsibilities by undertaking activities listed out in its CSR & SD policy viz. various welfare measures like community development, pollution control and eco-friendly measures. MIDHANI has keenly taken steps to implement its Corporate Social Responsibility as mandated under section 135 of Companies Act 2013 and also as per the guidelines received from Dept. of Public Enterprises on the subject in its true letter and spirit. The guidelines envisaged earmarking of separate budget for these activities with the main object of developing company specific social responsibility strategies both in long term, medium term, short term, with in built mechanism for monitoring and accountability.

ANNEX - I

SHRI. B. G. RAJ, DIRECTOR (FINANCE)

Shri. B. G. Raj has taken charge as Director (Finance), Mishra Dhatu Nigam Limited (MIDHANI) on 1st September, 2014.

Shri. B. G. Raj is a Commerce Graduate and holds an MBA degree and joined MIDHANI in 1977. He has over 30 years of experience in handling various facets of Finance and Accounts functions spanning Corporate Finance, International contracting, Budgetary control, Audit, Taxation and working capital management.

As General Manager (Commercial & Business Development) in MIDHANI during the last 5 years, he has steered the conclusion and management of major contracts for state of the art equipment procured from India and abroad for the revamping, modernization and expansion programme undertaken at MIDHANI.

Shri. B. G. Raj was Member Secretary, Society of Defence Technologists (SODET) during the period 2010 to 2013.

ANNEX-II (A)

DETAILS OF THE MEETINGS HELD DURING THE YEAR AND THE ATTENDANCE OF DIRECTORS THEREOF							
Sl. No	NAME & DESCRIPTION OF DIRECTOR	BOARD		AUDIT COMMITTEE		GENERAL MEETINGS*	
		NUMBER OF MEETINGS OUGHT TO HAVE BEEN ATTENDED	NO OF MEETINGS ATTENDED	NUMBER OF MEETINGS OUGHT TO HAVE BEEN ATTENDED	NO OF MEETINGS ATTENDED	NUMBER OF MEETINGS OUGHT TO HAVE BEEN ATTENDED	NO OF MEETINGS ATTENDED
1.	Shri. M Narayana Rao	5	5	NA	NA	1	1
2.	Dr. G. Malakondaiah	5	3	5	3	1	A
3.	Dr. D. K. Likhi	5	5	5	5	1	1
4.	Mrs. Kusum Singh	5	4	5	4	1	A
5.	Shri. V. S. Krishna Murthy	3	3	2	2	NA	NA
6.	Shri. B.G. Raj	2	2	3	3	1	1
7.	Permanent special invitee: Shri. P. K. Kataria	5	3	5	4	1	A
*Annual General Meeting held on 19.09.2014 where in representative of President of India was present							
Leave for absences for the Directors were recorded at every Meeting in case of their inability to attend due to unavoidable reasons							
C&MD is not a member of Audit Committee and hence attendance part is not applicable to him.							

ANNEX-II(B)

DETAILS OF THE MEETINGS OF COMMITTEES OF BOARD HELD DURING THE YEAR AND THE ATTENDANCE OF THE DIRECTORS THEREOF					
		PROCUREMENT COMMITTEE		CORPORATE SOCIAL RESPONSIBILITY COMMITTEE	
S. NO	NAME & DESCRIPTION OF DIRECTOR	NUMBER OF MEETINGS OUGHT TO HAVE BEEN ATTENDED	NO OF MEETINGS ATTENDED	NUMBER OF MEETINGS OUGHT TO HAVE BEEN ATTENDED	NO OF MEETINGS ATTENDED
1)	M. Narayana Rao	13	13	2	2
2)	Dr. D.K. Likhi	13	12	2	2
3)	B.G.Raj	10	10	2	2
4)	V. S. Krishna Murthy	3	3	NA	NA
Leave for absences for the Directors were recorded at every Meeting in case of their inability to attend due to unavoidable reasons.					

ANNEXURE-III (i)

TERMS OF REFERENCE & CONSTITUTION OF AUDIT COMMITTEE UNDER COMPANIES ACT 2013 & DPE GUIDELINES ON CORPORATE GOVERNANCE**I. Constitution of Audit Committee:**

- 1) At any point of time the Audit Committee shall consist of a minimum of three directors with independent directors forming a majority.
- 2) Audit Committee shall have Minimum three directors as members and two-third of its members shall be Independent Directors, provided that majority of members of Audit Committee including its Chairperson shall be persons with ability to read and understand, the financial statement and at least one member shall have expertise in accounting and financial management.
- 3) The meetings of Audit Committee shall always be chaired by an Independent Director.

II. Meetings of the Audit Committee:

- 1) The Audit Committee shall meet at least **FOUR (4)** times during any financial year and not more than four months shall elapse between two meetings.
- 2) A minimum of two Independent Directors shall be the quorum for any meetings of the Audit Committee so conducted.

III. Functions of Audit Committee:

- 1) Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- 2) Audit Committee shall be responsible for reviewing with the management and ensuring that the company's quarterly financial statements, annual financial statements declared by CEO /CFO [C&MD/D(F)] and audits are in compliance with applicable laws, regulations, and company policies before submission to the Board for approval.

- 3) The Committee shall provide an open avenue of communication between the independent auditor, internal auditor and the Board of Directors.
- 4) Reviewing, with the management, the annual financial statements and Auditor's Report before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms section 134 (3) (c) of the Companies Act, 2013;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions; and
 - g) Qualifications in the draft audit report.
- 5) Recommend to the Board for appointment, remuneration and terms of appointment of auditors of the company.
- 6) **Vigil Mechanism:**
 - (i) The Committee shall establish and recommend to the Board a vigil mechanism for directors and employees to report genuine concerns with regard to the operations of the company.
 - (ii) The Committee shall provide for adequate safeguards against victimization of persons who use such mechanism and shall make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

- (iii) The Committee shall ensure that the vigil mechanism so established and approved by the Board shall be disclosed by the company on its website and also in the Board's report.
- 7) The Committee shall review the functioning of the Whistle Blower Mechanism.
- 8) **Cost Auditor:** The Committee shall recommend to the Board for appointment of Cost Auditor along with remuneration, the remuneration recommended by the Audit Committee shall be considered and approved by the Board and ratified subsequently by the shareholders.

IV. Powers of Audit Committee:

- I. The Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
- II. The Committee shall have authority to investigate into any matter in relation to its functions or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.
- III. The Committee shall provide the Auditors and the key managerial personnel of the company a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not provide the right to vote.
- IV. The Committee shall ask for the disclosure of its composition in Board's report and also to disclose in such report along with the reasons thereof where the Board had not accepted any recommendation of the Audit Committee.
- V. The Committee shall be empowered to summon and seek information from any employee of the CPSE at any given point of time.



- VI. Review and monitor the auditor's independence and performance, and effectiveness of audit process and shall also have powers to strengthen auditor independence by mitigating conflicts of interest.
- VII. The Committee shall review and pre-approve all related party transactions in the company. For this purpose, the Audit Committee may designate a member who shall be responsible for pre-approving related party transactions.
- VIII. The Committee can conduct scrutiny of inter-corporate loans and investments, Valuation of undertakings or assets of the company, wherever it is necessary and also carry on review and evaluation of internal financial controls and risk management systems.
- IX. The Committee shall have powers to monitoring the end use of funds raised, if any, through public offers and related matters.
- X. All information regarding appointment and/or removal of Chief Internal Auditor shall be placed before the Audit Committee.
- XI. **AUDIT(S):**
 - (i) **INTERNAL AUDIT:**
 - a) Reviewing, with the management, performance of internal auditors (external firms) and adequacy of the internal control systems.
 - b) Reviewing the adequacy of internal audit (in house) 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 such audit.
 - c) Discussion with internal auditors on any significant findings and follow up thereon.
 - d) Recommending to the Board the fixation of fees for Internal Auditors for Audit and other services if any.

(ii) STATUTORY AUDIT:

- a) Discussion 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.
- b) Discussion with Statutory auditors on any significant findings and follow up thereon.
- c) Review with the independent auditors the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.
- d) Recommending to the Board the fixation of Statutory Audit fees.
- e) Approval of payment to statutory auditors for any other services (other than audit) rendered by them.

(iii) GOVERNMENT AUDIT: To review the follow up action on the audit observations of the C&AG audit.

- (iv) The Committee shall consider and review the following with the management, internal auditor and the independent auditor:
 - a) Significant findings during the year, including the status of previous audit recommendations
 - b) Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information.
- (v) The Committee shall consider and review the following with the independent auditor and management:
 - a) The adequacy of internal controls including computerized information system controls and security, and
 - b) Related findings and recommendations of the Independent auditor and internal auditor, together with the management responses.



- XII. Reviewing the findings of any internal investigations by the internal auditors/ statutory auditors/ other agencies 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.
- XIII. 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.
- XIV. To review the follow up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament.

Explanation (i): The term “**related party transactions**” shall have the same meaning as contained in the Accounting Standards 18, Related Party Transactions, issued by the Institute of Chartered Accountants of India.

[Presently, the Chairman of the Audit Committee or another Part-time Non-Official Independent Director who is a member of the Audit Committee, have been designated as person(s) responsible for according prior approval for related party transactions (AS-18) as contemplated under DPE guidelines.]

ANNEXURE-III (ii)

TERMS OF REFERENCE TO PROCUREMENT COMMITTEE

- 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.
- 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.
- The Terms of reference to the committee is as under:
 - ✓ 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.
 - ✓ To consider and approve such other Procurement proposals as may be entrusted by the Board from time to time.
 - ✓ 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.
 - ✓ To consider and advise Board on matters relating to e-procurement.
 - ✓ To consider and advise Board on the matters relating to CVC Guidelines/ MoD instructions.
 - ✓ 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.



ANNEXURE-III (iii)

TERMS OF REFERENCE & PURPOSE OF REMUNERATION COMMITTEE:

- The Committee shall consider all relevant issues contained in DPE OM dt. 26.11.2008 relating to Variable Pay or Performance Related Pay.
- To develop a robust and transparent Performance Management System, adopting a “Bell Curve Approach” in grading the officers so that not more than 10% to 15% executives are “Outstanding/ Excellent”. Similarly 10% of Executives should be graded as “Below Par”
- Every year, RC will recommend the PRP as per the defined rules.
- The Committee can frame its own guidelines for conducting its meetings.

ANNEXURE-III (iv)

TERMS OF REFERENCE TO HUMAN RESOURCES COMMITTEE

- 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:
 - ✓ Creation /abolition of Posts - fixing optimum man power strength.
 - ✓ Changes in the Organization Structure , Designations , allocation of functions
 - ✓ Recruitment Rules and Procedure
 - ✓ Service conditions like Leaves, TA&DA, Medical, LTC etc.
 - ✓ Salary / Wage structure - Scales of Pay- Increments and other related matters.

- ✓ Perquisites and Allowances, Bonus , Performance and Productivity Related Incentive Schemes
- ✓ Retirement benefits and plans
- ✓ Creation and Maintenance of Provident Fund, Gratuity Fund, Pension Fund etc.
- ✓ All Welfare Schemes including Canteen, School, Transport, Awards/ Rewards, Ex-gratia, Gifts and other benefits including facilities to be extended after retirement
- ✓ Maintenance of Town Ship and Estate Matters
- 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.
 - ✓ Career Development Plans including Training & Development Programs - Engagement of GETs / MTs and the Schemes relating to them.
 - ✓ Framing up of Conduct, Discipline and Appeal (CDA) Rules and Standing Order as applicable.
 - ✓ Review and make suitable recommendations to Board in respect of Disciplinary proceedings / reports / actions taken and/or to be taken
 - ✓ Introduction of Voluntary Retirement, Compulsory Retirement and other Separation Schemes.
 - ✓ Vigilance and Security related issues.
 - ✓ Trade Unions, Officers / Supervisors Associations
- Recommending to Board of Directors regarding grant of donations to charitable and other funds on account of natural calamities.
- The Committee can frame its own guidelines for conducting its meetings.

ANNEXURE-III (v)

TERMS OF REFERENCE TO TECHNICAL COMMITTEE

- Overseeing of the company's technological competitiveness (current and future) in line with the business strategy.
- Guiding research & technological plan of the company.
- Guiding operational strategy of the company with particular reference to (a) new product development (b) new market development (c) new diversification projects (d) technologic alliances
- To advise the Board in relation to framing of risk management policy in the Company
- Guide and reviewing the academic industry interface for leveraging basic knowledge in the area of technology.
- Guiding the Company for development of new technologies in the area of product and process including, Intellectual Property Right Management (IPRM)
- Guiding the company to create the centre of excellence in R&D for special steels, super alloys and titanium alloys.

ANNEXURE-III (vi)

TERMS OF REFERENCE TO CORPORATE MANAGEMENT COMMITTEE:

- The subjects for deliberation / discussions at the meeting, inter-alia include:
 - a) Review of Production/major Projects and Financial Performance and Marketing Operations;
 - b) Ways and means of cash flows in the organization;
 - c) Employee relations resolving personal grievances;
 - d) Systems improvements;
 - e) Improving inter-departmental; inter- functional co-ordination and resolving inter-departmental and intra-departmental bottlenecks, if any.

ANNEXURE - IV

CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS AND SENIOR MANAGEMENT OF MISHRA DHATU NIGAM LIMITED.

1.0 INTRODUCTION

- 1.1. This code shall be called as “The Code of Business Conduct & Ethics (hereinafter referred to as “code”) and applicable for Board Members and Senior Management” of MISHRA DHATU NIGAM LIMITED (hereinafter referred to as “the Company”).
- 1.2. The purpose of this Code is to enhance ethical and transparent process in managing the affairs of the Company.
- 1.3. This Code for Board Members and Senior Management has been framed specially in compliance of the provisions of the Guidelines of DPE.
- 1.4. It shall come into force with effect from 24th January, 2011

2.0 DEFINITIONS AND INTERPRETATIONS:

- 2.1 The term “Board Members” shall mean Directors on the Board of Directors of the Company.
- 2.2 The term “Whole-time Directors” or “Functional Directors” shall be the Directors on the Board of Directors of the Company who are in whole-time employment of the Company.
- 2.3 The term “Part-time Directors” shall mean Directors on the Board of Directors of the Company who are not in whole time employment of the Company.
- 2.4 The term “Relative” shall have the same meaning as defined in Section 2(77) of the Companies Act, 2013.
- 2.5 The term “Senior Management’ shall mean personnel of the Company who are members of its core management team excluding Board of Directors and would comprise all members of management one level



below the Whole time Directors, including all functional heads (i.e. Managerial Personnel in the rank of General Manager in Grade - VIII and above)

Note: In this code words imparting the masculine gender shall include feminine gender and words importing singular shall include the plural or vice-versa

3.0 APPLICABILITY

3.1 This code shall be applicable to the following personnel:

- a. All Whole-time Directors including the Chairman & Managing Director of the Company.
- b. All Part-time Directors including Independent Directors under the provisions of law.
- c. Senior Management.

3.2 The Whole-time Directors and Senior Management should continue to comply with other applicable / to be applicable policies, rules and procedures of the Company.

4.0 CONTENTS OF CODE

4.1 Part I General Moral Imperatives

Part II Specific Professional Responsibilities

Part III Specific Additional Provisions for Board Members and Senior Management

4.2 This code is intended to serve as a basis for ethical decision making in the conduct of professional work. It may also serve as a basis for judging the merit of a formal complaint pertaining to violation of professional ethical standards.

4.3 It is understood that some words and phrases in the code of ethics and conduct document are subject to varying interpretations. In case of any conflict, the decision of the Board shall be final.

PART-I**5.0 GENERAL MORAL IMPERATIVES****5.1 Contribute to society and human well being**

5.1.1 This principle concerning the quality of life of all people, affirms an obligation to protect fundamental human rights and to respect the diversity of all cultures. We must attempt to ensure that the products of our efforts will be used in socially responsible ways, will meet social needs and will avoid harmful effects to health and welfare of others. In addition to a safe social environment, human well being includes a safe natural environment.

5.1.2 Therefore, all Board members and Senior Management who are accountable for the design, development, manufacture and promotions of company's products, must be alert to, and make others aware of, both a legal and a moral responsibility for the safety and the protection of human life and environment.

5.2 Be honest and trustworthy & practice integrity

5.2.1 Integrity and honesty are essential components of trust. Without trust an organization cannot function effectively.

5.2.2 All Board Members and Senior Management are expected to act in accordance with highest standards of personal and professional integrity, honesty and ethical conduct, while conducting business of the Company.

5.3 Be fair and take action not to discriminate

5.3.1 The values of equality, tolerance, respect for others, and the principles of equity, justice govern this imperative. Discrimination, on the basis of race, sex, religion, caste, age, disability, national origins or other such factors, is an explicit violation of this Code

5.4 Honour Confidentiality

5.5.1 The principle of honesty extends to issues of confidentiality of information. The ethical concern is to respect all obligations of confidentiality to all stakeholders unless discharged from such obligations by requirements of the law or other principles of this Code.



5.5.2 All Board Members and Senior Management, therefore, shall maintain the confidentiality of all confidential unpublished information about business and affairs of the Company.

5.5 Pledge & Practice

5.5.1 To strive continuously to bring about integrity and transparency in all spheres of the activities.

5.5.2 Work unstintingly for eradication of corruption in all spheres of life.

5.5.3 Remain vigilant and work towards growth and reputation of the Company.

5.5.4 Bring pride to the organization and provide value-based services to Company's stakeholders.

5.5.5 Do duty conscientiously and without fear or favour

PART - II

6.0 SPECIFIC PROFESSIONAL RESPONSIBILITIES

6.1 Live the Vision, Mission and Values of the Company each day:

For quick reference MISSION is under:

A. MISSION OF THE COMPANY :

To achieve self-reliance in the Research, Development, Manufacture and Supply of Critical Alloys and products of National Security and Strategic importance.

B. VALUES:

- a) Zeal to excel and zest for change
- b) Integrity and fairness in all matters
- c) Respect for dignity and potential of individuals
- d) Strict adherence to commitments
- e) Ensure speed of response
- f) Foster learning, creativity and team-work
- g) Loyalty and pride in the Company.

- 6.2 Strive to achieve the highest quality, effectiveness and dignity in both the processes and products of professional work:

Excellence is perhaps the most important obligation of a professional. Everyone, therefore, should strive to achieve the highest quality, effectiveness and dignity in their professional work.

- 6.3 Acquire and maintain professional competence:

Excellence depends on individuals who take responsibility for acquiring and maintaining professional competence. All are, therefore, expected to participate in setting standards for appropriate levels of competence, and strive to achieve those standards.

- 6.4 Compliance with Laws:

The Board Members and Senior Management of the Company shall comply with all the applicable provisions of existing Local, State, National and International laws. They should also follow and obey the policies, procedures, rules and regulations relating to business of the Company.

- 6.5 Accept and provide appropriate professional review:

Quality professional work depends on professional review and comments. Whenever appropriate, individual members should seek and utilize peer review as well as provide critical review of the work of theirs.

- 6.6 Manage personnel and resources to enhance the quality of working life:

Organizational leaders are responsible for ensuring that a conducive working and business environment is created for fellow employees to enable them delivering their best. The Board Members and Senior Management would be responsible for ensuring human dignity of all employees, would encourage and support the professional development of the employees of the Company by providing them all necessary assistance and cooperation, thus enhancing the quality of working.

- 6.7 Be upright and avoid any inducements:

The Board Members and Senior Management shall not, directly or

indirectly through their family and other connections, solicit any personal fee, commission or other form of remuneration arising out of transactions involving Company. This includes gifts or other benefits of significant values, which might be extended at times, to influence business for the organization or awarding a contract to an agency etc.

6.8 Observe Corporate Discipline:

The flow of communication within the Company is not rigid and people are free to express themselves at all levels. Though there is a free exchange of opinions in the process of arriving at a decision, but after the debate is over and a policy consensus has been established, all are expected to adhere and abide by it, even when in certain instances one may not agree with it individually. In some cases policies act as a guide to action, in others they are designed to put a constraint on action. All must learn to recognize the difference and appreciate why they need to observe them.

6.9 Conduct in a manner that reflects credit to the Company:

All are expected to conduct themselves, both on and off duty, in a manner that reflects credit to the Company. The sum total of their personal attitude and behaviour has a bearing on the standing of Company and the way in which it is perceived within the organization and by the public at large.

6.10 Be accountable to Company's stakeholders:

All of those whom we serve, be it our Customers, without whom the Company will not be in business, the Shareholders, who have an important stake in its business, the Employees, who have a vested interest in making it all happen, the Vendors, who support the Company to deliver in time and Society to which Company is responsible for its actions - are stakeholders of the Company. All, therefore, must keep in mind at all times that they are accountable to Company's stakeholders.

6.11 Prevention of Insider Trading:

The Board Members and Senior Management shall comply with the code of Internal Procedures and conduct for prevention of Insider Trading in dealing with Securities of the Company.

6.12 Identify, mitigate and manage business risks:

It is everybody's responsibility to follow the Risk Management Framework of the Company to identify the business risks that surround function or area of operation of the Company and to assist, in the company-wide process of managing such risks, so that Company may achieve its wider business objectives.

6.13 Protect properties of the Company:

The Board Members and Senior Management shall protect the assets including physical assets, information and intellectual rights of the Company and shall not use the same for personal gains.

PART-III

7.0 SPECIFIC ADDITIONAL PROVISIONS FOR BOARD MEMBERS AND SENIOR MANAGEMENT

7.1 As Board Members and Senior Management:

They shall undertake to actively participate in the meetings of the Board and Committees on which they serve.

7.2 As Board Members:

7.2.1 Undertake to inform the Chairman and Managing Director / Company Secretary of the Company, of any changes in their other Board positions, relationship with other business and other events/ circumstances/ conditions that may interfere with their ability to perform Board / Board Committee duties or may impact the judgment of the Board as to whether they meet the independence requirements as per Guidelines of DPE.

7.2.2 Undertake that without prior approval of the disinterested members of the Board, they will avoid apparent conflict of interest. Conflict of interest may exist when they have personal interest that may have a potential conflict with the interest of the Company.

Illustrative cases can be;

(i) Related Party Transactions:

Entering into any transactions or relationship with Company or its subsidiaries in which they have a financial or other personal interest (either directly or indirectly such as through a family member or relation or other person or other organisation with which they are associated).

(ii) Outside Directorship:

Accepting Directorship on the Board of any other Company that competes with the business of the Company.

(iii) Consultancy/ Business/ Employment:

Engaging in any activity (be it in the nature of providing consultancy service, carrying on business, accepting employment) which is likely to interfere or conflict with their duties / responsibilities towards Company. They should not invest or associate themselves in any other manner with any supplier, service provider or customer of the Company.

(iv) Use of Official position for personal gains:

Should not use their official position for personal gains.

7.3 Compliance with the Code of Business Conduct and Ethics:

7.3.1 All Members of the Board and Senior Management of Company shall uphold and promote the principles of this code:

The future of the organization depends on both technical and ethical excellence. Not only it is important for Board members and Senior Management to adhere to the principles expressed in this Code, each of them should also encourage and support adherence by others.

7.3.2 Treat violations of this code as inconsistent association with the organization:

Adherence of professionals to a code of ethics is largely and generally a voluntary matter. However, if any of Board Members and Senior Management does not follow this Code, the matter would be reviewed by the Board and its decision shall be final. The Company reserves the right to take appropriate action against the defaulter.

7.4 Miscellaneous Points:

7.4.1 Continual updation of Code:

This Code is subject to continuous review and updation in line with any changes in law, changes in Company's philosophy, Mission, business plans or otherwise as may be deemed necessary by the Board and all such amendments/ modifications shall take effect prospectively from the date stated herein.

7.4.2 Where to seek clarifications:

Any member of Board or Senior Management requiring any clarification regarding this code of conduct may contact Director / Company Secretary / any officer specifically designated by the Board of Directors.

This has the approval of the Board of Directors of the Company at its 193rd Meeting held on 24th January, 2011.



ACKNOWLEDGEMENT OF RECEIPT OF CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS AND SENIOR MANAGEMENT OF MISHRA DHATU NIGAM LIMITED

1. I Whole-time / Part-time Director / Senior Executive of the Company have received and read the code of Business Conduct and Ethics for Board Members and Senior Management of Mishra Dhatu Nigam Limited. I understand the standards and policies contained in the said Code of Business Conduct and Ethics and understand that there may be additional policies or laws specific to my job. I further agree to comply with the said Code of Business Conduct and Ethics.
2. If I have questions concerning the meaning or application of the said Code of Business Conduct and Ethics, any policies of the Company or the legal and regulatory requirements applicable to my job; I know I can consult Director or Company Secretary of the Company knowing that my questions or reports will be maintained in confidence.
3. Further, I undertake to provide following affirmation on an Annual basis to the Company within 30 days from the end of 31st March every year.

Signature :

Name :

Designation :

Place : Employment Number :

Date : Telephone No. :

AFFIRMATION

(By Board Members /Senior Management of the Company on Annual basis by 30th April of every year)

I -----(name) -----(designation) having read and understood the Code of Business Conduct and Ethics for Board Members and Senior management, hereby solemnly affirm that I have complied with and has not violated any of the provisions of the Code during the year ended 31st March.....

Signature :

Name :

Designation :

Place: Employment Number :

Date: Telephone No. :



ANNEXURE - V

मिश्र धातू निगम लिमिटेड
(भारत सरकार का उपक्रम)
(एक मिनी रत्ना कंपनी)
सुपर आर्लोय्स प्लांट
डाकघर : कंचनबाग, हैदराबाद - 500 058, भारत
दूरभाषा : 24340001 (लाईन 10)
फैक्स : 040-24340764, 24340214, 24340371



AN ISO 9001:2008 COMPANY

MISHRA DHATU NIGAM LIMITED
(A Govt. of India Enterprise)
(A MINI RATNA COMPANY)
SUPERALLOYS PLANT
P.O. Kanchanbagh, Hyderabad - 500 058, India.
Phone : 24340001 (10 Lines)
Fax : 040-24340764, 24340214, 24340371
website : www.midhani.gov.in.

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of Mishra Dhatu Nigam Limited,

THIS IS TO CERTIFY that M/s Mishra Dhatu Nigam Limited, a Public sector undertaking having its Registered office at Kanchanbagh, Hyderabad - 500058 has adopted a Code of Business Conduct and Ethics as per the “Guidelines on Corporate Governance for Public Sector Enterprises, 2007 & 2010” issued by Dept. of Public Enterprises, as per which it is the responsibility of all Directors and Senior Management Personnel to familiarize themselves with the code and comply with its standards; and

This is also to certify that the Board members and Senior Management personnel of Mishra Dhatu Nigam Limited have affirmed compliance with the code of the Company for the financial year ended 31st March 2015.

for MISHRA DHATU NIGAM LIMITED

(M. NARAYANA RAO)

CHAIRMAN & MANAGING DIRECTOR

Place: Hyderabad

Date: 12-06-2015



ANNEXURE - VI



(O): 315, Bhanu Enclave, Adj. ESI Hospital Erragadda, Hyderabad - 38
(R) : F-1, Pavani Aparts., 40, Rajeev Nagar, Hyderabad - 500045
Tel (O) : 23701964, Fax : 23701374, (R) 23833255
E-mail : pjagan123@gmail.com

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Mishra Dhatu Nigam Limited

We have 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 financial year ended 31st March 2015. 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 the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In our opinion and to the best of our knowledge and according to the explanations given to us, we certify that the Company has complied with the above said guidelines except that (a) no formal statement of Board Charter has been put in place and (b) in response to the company's request, it is noticed that MoD is yet to appoint the three Independent Directors in place of two Director's whose term expired on 8th December, 2013 and one Director whose term expired on 26th April, 2014 and resultantly the company could not have an optimum combination of Independent Directors on its board and consequently the following guideline(s) on : 1.1(ii) composition of the Directors, 1.2 (ii) Non Official Directors, 1.8 (ii) Training of New Board Members; 2.1 (ii), (iii) and (iv) Constitution of Audit Committee, 2.4 (iii) Meetings of Audit committee, 3.1 (ii), (iii) Constitution of Remuneration Committee have not be maintained as per norms during the year.

Place: Hyderabad

Date: 15-06-2015

**FOR PUTTAPARTHI JAGANNATHAM & CO.,
COMPANY SECRETARIES**

B. Rama

Partner, C.P. No. 7733

ANNEXURE - VII**SWOT ANALYSIS****1.0 STRENGTHS**

- ✓ Company's capability to manufacture a wide range of advanced metals and alloys in various mill forms viz. forgings, sheets, strips, bars, rods, wires, etc.
- ✓ World-class experience and expertise gained over 30 years in operating and maintenance of various high technology equipment and processes.
- ✓ Skilled and experienced manpower resource in manufacture of special metals and alloys.
- ✓ MIDHANI's systems and procedures are time tested, quality consistent and adheres to ISO-9001:2008 certification.
- ✓ Status of self certification was accredited by prestigious inspection agencies and major customers of the company for its supplies.
- ✓ Company's Modernisation, Upgradation and Expansion project would improve the competitive edge of the Company.

2.0 WEAKNESSES

- ✓ Plant and Equipments are age old.
- ✓ Lack of economies of scale leading to high incidence of overheads and production costs.
- ✓ Lack of adequate and matching downstream facilities.
- ✓ Long production cycle.
- ✓ Processing of small lots of various grades requiring tailor made operations.
- ✓ Production normally involves product development involving long lead times.

3.0 OPPORTUNITIES

- ✓ With the growth of economies in India and abroad, demand for special alloys and steels is increasing.
- ✓ Some of the labour intensive operations required in the manufacture can be carried out economically in India when compared to other countries.

- ✓ The additional capacities created recently would bring in further reduction in operating costs thus improving Competitive edge for the Company.
- ✓ Programs of Strategic Sectors like fast breeder reactor program, commercial space vehicle launches by Indian Space Research Organization, components of tanks, aircrafts, submarines, etc. would create demand for special metals and alloys.
- ✓ Opportunity exists to diversify into Armour products, bio-medical implants, Fasteners for Aero space and production of near net shape forgings.
- ✓ Home-grown technologies would reduce the country's dependence on outside world.
- ✓ Synergisation and integration with other Public Sector Undertakings for processing part of the materials
- ✓ Potential exists for ensuring long-term tie-ups with customers, Joint ventures and strategic alliances etc.,

4.0 THREATS

- ✓ Lack of contemporary technology as is available in other parts of the globe resulting in high cost with long delivery periods.
- ✓ Adverse import duty structure for some of the company's products
- ✓ High volatile prices of some of the critical imported raw materials coupled with their non-availability at times.
- ✓ Dumping from China in respect of Molybdenum products.
- ✓ Lack of competitive edge in the international market on account of above
- ✓ Risk of obsolescence in processes and procedures.
- ✓ Stiff competition from private sector organizations in India and abroad.



INDEPENDENT AUDITORS' REPORT

To
The Members
Mishra Dhatu Nigam Limited,
Hyderabad

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Mishra Dhatu Nigam Limited ('the Company'), which comprise the balance sheet as at 31st March 2015, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015 and its profit and its cash flows for the year ended on that date.

Emphasis of matter:

We draw attention to:

1. **Note No. 30(12) :** The Company has contributed ₹ 421.03 lakhs towards Pension Scheme up to March'14 to Trust which has not been approved by MoD. The Company has again represented to MoD for approval. The current year provision towards Pension Scheme amounting to ₹ 74.72 lakhs is subject to approval as per Government Guidelines.
2. **Note Nos. 30(4), (5), (6) & (7):** During the year the company has modified the Accounting Policies 2.7, 2.8.1 and 2.9 on fixed assets with regard to charging of depreciation in order to comply with the provisions of Companies Act,2013, Accounting Policy 5.3.1 & 5.3.2 on Liquidated damages and Accounting policy No.7.4 introduced in place of 10.2 dealing with revenue recognition in respect of Claims for price variation and the Company has disclosed the impact on the revenue or profitability.
3. **Note No. 8 (Trade Payables), Note No. 9 (Other Current Liabilities), Note No. 15 (Long Term Loans and Advances), Note No. 18 (Trade Receivables), Note No. 20 (Short Term Loans and Advances),** to the financial statements which are subject to receipt of confirmation of balances/reconciliation.

Our opinion is not qualified in respect of the above matters.

Other Matters

- a. We have issued an Audit Report dated 22.06.2015 ("the original report") at New Delhi on the financial statements as adopted by Board of Directors on even date. Pursuant to the observations of Comptroller and Auditor General of India under Section 143(6)(a) of the Companies Act,2013, the company has amended Note No. 30.The amendment of the note has no impact on the reported figures in the financial statements of the Company as disclosed in Note No. 30(13). This audit report supersedes the original report, which has been suitably revised to consider observations of Comptroller and Auditor General of India and the amendment of Note No. 30.

- b. Our audit Procedure on events subsequent to the date of the original report is restricted solely to the amendment to Note No. 30 of the financial statements.**

Report on Other Legal and Regulatory Requirements.

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-I a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. Based on the verification of records of the Company and based on information and explanations given to us, we give below a report on the Directions issued by the Comptroller and Auditor General of India in terms of Sec.143 (5) of the Companies Act, 2013.
 - (a) The Company has not been selected for divestment and hence reporting on this direction does not arise.
 - (b) The Company has written off ₹ 141.93 Lakhs as bad debts which are identified as non recoverable on account of tax variances, weight variances and other reasons during the reporting period.
 - (c) The Company has maintained adequate records in respect of inventories lying with third parties. As per the explanations and information given to us, no assets have been received by the Company as gift from Government or other authorities.
 - (d) A report on age wise analysis of pending legal/arbitration cases is given as Annexure-II to this report. We report that the company has in place an adequate monitoring mechanism for tracking expenditure on legal cases.
3. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) In terms of Ministry of Corporate Affairs GSR No.463(E) dated 5th June'2015, Government Companies are exempt from the applicability of the Provisions of Section 164 (2) of the Companies Act,2013. Hence no comments offered.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 30(10) to the financial statements;
 - ii. the Company did not have any long term Contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For V. Rao & Gopi

Chartered Accountants

FRN:003153S

Sd/-

(P. Hanumantha Rao)

Partner; M. No: 026990

Place of signature: Hyderabad

Date: 04.08.2015

Annexure I to the Independent Auditors' Report

**Referred to in Paragraph 1 of our report of even date under
"Report on Other Legal and Regulatory Requirements"**

Re: Mishra Dhatu Nigam Limited

i.	a.	The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets, on the basis of available information.
	b.	As explained to us, the fixed assets have been physically verified by the management and no discrepancies were reported. On the basis of information /documents produced for our verification, we are of the opinion that the system followed by the company for the physical verification of the fixed assets is reasonable.
ii.	a.	As explained to us inventories have been physically verified by the management at the year end.
	b.	In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
	c.	The Company has maintained proper records of inventories. As explained to us, the discrepancies noticed on physical verification by the management have been properly dealt with in the books of account.
iii.		The Company has not granted or taken any loans to/from companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
iv.		In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal control system.

v.		The Company has not accepted any deposits from the public. Hence no comments offered.
vi.		The Company is required to maintain Cost Accounting records as per Sec. 148(1). We are of the opinion that, prima facie, the prescribed records have been made and maintained.
vii.	a.	According to the information and explanation given to us and on the basis of our examination of records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess, Sales Tax/VAT, and other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. No undisputed amounts payable in respect of the above were in arrears, as at 31.03.2015 for a period of more than six months from the date they became payable.
	b.	According to information and explanation given to us, there are no dues of Customs Duty, wealth tax, service tax and cess which have not been deposited with appropriate authorities on account of dispute. However according to information and explanation given to us, the following income tax, VAT/CST and Central excise have not been deposited as per the details given here under.

Name of the Statute	Nature of the Dues	Forum where dispute is pending	Amount ₹ Lakhs
Income Tax Act, 1961.	Income Tax for the A.Y. 2010-11.	Income Tax Appellate Tribunal, Hyderabad	712.09
Income Tax Act, 1961.	Income Tax for the A.Y. 2012-13.	Commissioner of Income Tax (Appeals)-IV, Hyderabad	308.38
CST Act, 1956	CST A.Y. 2009-10.	Asst. Commissioner of Commercial Tax	204.34
CST Act, 1956	CST A.Y. 2010-11.	Asst. Commissioner of Commercial Tax	82.83
VAT Act, 2005	VAT A.Y 2010-11	Dy commissioner of commercial tax	17.49

VAT Act, 2005/ CST Act,1956	CST A.Y. 2011-12 (C Forms).	Asst. Commissioner of Commercial Tax	54.27
VAT/CST ACT	VAT/CST A.Y. 2011-12, 2012-13 & 2013-14	Asst. Commissioner of Commercial Tax	275.81
Central Excise Act, 1944.	Excise Duty, Interest & Penalty for the period April, 2005 to September, 2009	CESTAT Bangalore Bench	14446.88

	c	There are no amounts required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956).
viii.		The Company has no accumulated losses at the end of the current financial year. It has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
ix.		According to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or banks.
x.		The Company has given guarantees for loans taken by others from banks or financial institutions. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima-facie prejudicial to the interests of the Company.
xi.		The Company has not raised any term loans during the reporting period. Hence no comments offered.
xii.		According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year or informed any such case by the management.

For V. Rao & Gopi

Chartered Accountants

FRN:003153S

Sd/-

(P. Hanumantha Rao)

Partner; M. No: 026990

Place of signature: Hyderabad

Date: 04.08.2015

**Annexure II to the Independent Auditors' Report
(Referred to in Paragraph 2(d) of our report of even date under "Report on Other Legal and Regulatory Requirements") Mishra Dhatu Nigam Ltd
Age wise analysis of pending legal/arbitration cases as on 31.03.2015**

There are 41 cases out of which 28 cases in the High Court of Andhra Pradesh and Telangana, 2 cases in other High courts and 11 cases are in lower courts and labour Tribunals.

Age-wise break-up and financial impact is as follows:

Sl. No.	Forum	Less than 1 year		1-3 Years		More than 3 Years	
		No of Cases	Amount ₹ in Lakhs	No. of Cases	Amount ₹ in Lakhs	No. of Cases	Amount ₹ in Lakhs
1	High Court of AP and Telangana	4	Not Quantifiable	3	Not Quantifiable	21	46.79
2	Other High Courts	1	Not Quantifiable	0	N/A	1	Not Quantifiable
3	Lower Courts and Labour Tribunals	1	Not Quantifiable	2	Not Quantifiable	8	93.87
	TOTAL	6		5		30	140.66

Status:

Sl. No.	Reasons/Status	No.of Cases
1	Cases admitted, but not yet listed for hearing	19
2	Arguments in progress	8
3	Judgements yet to be pronounced	8
4	Suit decreed and EP filed	2
5	Under Stay	4
	TOTAL	41

For V. Rao & Gopi

Chartered Accountants

FRN:003153S

Sd/-

(P. Hanumantha Rao)

Partner; M. No: 026990

Place of signature: Hyderabad

Date: 04.08.2015



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF M/S MISHRA DHATU NIGAM LIMITED, HYDERABAD FOR THE YEAR ENDED 31 MARH 2015

The preparation of financial statements of M/s Mishra Dhatu Nigam Limited, Hyderabad for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 22 June 2015 and revised report dated 4 August 2015.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of M/s Mishra Dhatu Nigam Limited, Hyderabad for the year ended 31 March 2015. 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 financial statements by the management, as a result of my audit observations highlighted during supplementary audit as indicated in the Note No.30 (12) and 30(13) of the financial statements, I have no further comments to offer upon or supplement to the statutory auditors' report, under section 143(6) (b) of the Act.

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

Sd/-

(V. K. GIRIJAVALLABHAN)

Principal Director of Commercial Audit.

Place: Bengaluru

Date: 12 August 2015



SIGNIFICANT ACCOUNTING POLICIES

1.0 Accounting Method:

The Financial accounts are prepared under the accrual basis at historical cost unless otherwise stated.

2.0 Fixed Assets:

- 2.1.1 Land received from the Government as alienation/acquisition has been valued either at cost or estimated market value as indicated by State Government pending determination of liability.
- 2.1.2 The expenditure on development of open land is capitalized as part of the cost of land.
- 2.2 Other fixed assets are stated at cost. Cost includes, where applicable, allocation of expenditure during construction and expenditure as part of start up and commissioning.
- 2.3 Capital works, done internally, are valued at prime cost i.e., cost of direct labour, direct material and direct expenses
- 2.4.1 Initial pack of spares procured along with the plant, machinery and equipment are capitalized and depreciated in the same manner as plant and machinery.
- 2.4.2 When a major overhaul/revamping of the asset is carried out resulting in increase in future benefits from the existing beyond its previously assessed standard of performance, additional expenditure incurred for such overhauling/revamping will be capitalized in the year in which the overhauling/revamping of the asset is completed.
- 2.4.3 Any purchase of spares subsequent to purchase of machinery and fitted into the equipment only results in maintaining the previously estimated standard of performance and does not improve the previously estimated standard of performance, the same will be charged off to revenue in the year of purchase.
- 2.4.4 Worn out spares on replacement which were in integral part of the existing asset will be transferred to scrap at NIL value.

- 2.5 Where actual cost of fixed assets cannot be accurately ascertained, such assets are initially capitalized on the basis of estimated cost. On ascertaining actual, gross block is adjusted and depreciation is provided proportionately over the balance life of the asset.
- 2.6 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 realisable 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.
- 2.7 Depreciation on fixed assets is charged on straight-line method over the indicative useful life provided in Schedule II of the Companies Act, 2013, as amended from time to time.
- 2.8.1 In respect of certain fixed assets, depreciation has been provided over the useful life arrived on the basis of technical evaluation and differences disclosed in the financial statements in line with the provisions of the Companies Act 2013.
- 2.8.2 When major revamping/overhauling of a fixed asset is carried out, the extended life of the asset will be technically evaluated for arriving at the estimated revised life of the asset and depreciation will be charged systematically over the balance useful life of the asset.
- 2.9 In respect of Plant and Machinery, life prescribed for “continuous process plant for which no special rate has been prescribed” is adopted.
- 2.10 Assets whose actual cost does not exceed ₹ 5000/-, depreciation is provided at the rate of hundred percent in the year of capitalization.

3.0 Impairment of Assets:

As at the end of each balance sheet date, the carrying amount of assets is assessed as to whether there is any impairment. If the estimated recoverable amount is less than its carrying amount, the impairment loss is recognized and assets are written down to their recoverable amount.

4.0 Inventories and Valuation:

Inventories are valued on the following basis:

4.1 Raw materials, consumables, spares and Tools and Instruments in Central Stores:

At weighted average Cost.

4.2 Raw materials in Shop floor/Sub-stores in the shops

At weighted average rate of Central Stores, at the end of the year.

4.3 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.

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

At estimated realizable value for scrap.

4.5 Tools and Gauges:

Issued tools, instruments, gauges etc. are amortized uniformly over their estimated life.

4.6 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.

4.7 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.

- 4.8 Goods in transit are valued at cost.
- 4.9.1 Stores declared surplus / unserviceable are transferred to salvage stores for disposal, and charged to revenue.
- 4.9.2 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 : 50% of the book value
- 4.10 Stationery, uniforms, medical and canteen stores are charged off to revenue at the time of receipt.

5.0 Claims by / against the Company:

- 5.1 Claims on underwriters/carriers towards loss / damage are accounted when monetary claims are preferred.
- 5.2 Claims for refund of customs duty including project imports/port trust charge/excise duty are accounted on acceptance/receipt.
 - 5.3.1 Liquidated Damages on suppliers are accounted on recovery.
 - 5.3.2 Liquidated damages levied by the customers are charged off on recovery/advise by the customers. A provision is created for the likely claims of Liquidated Damages for shipments made where a reliable estimation can be made.
- 5.4 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.
- 5.5 Provision for Doubtful Debts is made on the amounts due from other than Govt.Depts. & PSUs at the rates determined by the Board. (Less than one year – Nil, One to Two years 10%, Two to Three years 25%, Three to Four years 50%, Four to Five years 80% and above Five years 100%).
- 5.6 Provision towards warranty against supplies: “Provision for Contingencies & Warranty” to take care of rejected/returned material by customers is provided at 0.25% of turnover related to Manufactured Products.

6.0 Employee Benefits:

- 6.1 Gratuity payable to eligible employees is administered by a separate Trust, which has taken a policy with LICGGF. Demands made by the trust on account of annual renewal premium of the LIC policy are charged to Statement of Profit and Loss.
- 6.2 The retirement benefit relating to leave encashment is administered through a Group Leave Encashment Scheme with LIC of India. The annual demand raised by LIC based on actuarial valuation is charged to Statement of Profit and Loss.
- 6.3 Settlement Allowance: Employees are paid eligible amount at the time of separation (except on resignation and termination) for their settlement.
- 6.4 Pension Scheme for the eligible employees, as per Government Guidelines, is administered by a separate Trust, which has taken a policy with LIC of India. Company contributes to the Trust as per the provisions of the guidelines and contributions are charged to Statement of Profit and Loss.

7.0 Sales:

- 7.1 Sales include Excise Duty.
 - 7.2.1 In case of sales Ex-Works contracts, sale is set up when the goods are handed over to the carrier/agent for despatch to the buyer and wherever customer's prior inspection is stipulated, sale is accounted only after acceptance by customer's inspector.
 - 7.2.2 In the case of sales on FOR/FOB destination contracts, sale is set up considering the expected time in respect of despatches to reach the destination within the accounting period, subject to adjustments based on actual receipt of material at destination.
- 7.3 Where sale prices are not established, sales are set up on provisional basis at prices likely to be realized.
- 7.4 Claims for additional revenue in respect of sales contracts/orders are accounted for as Sales in the year in which such revenue materializes.

8.0 Physical verification of Fixed Assets and Inventory:

- 8.1 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. Reconciliation is made for all items except minor value items like miscellaneous shop equipment, furniture, office equipment etc., individually valued ₹ 2000/- and less.

8.2 Inventories of work-in-process, finished goods, raw materials and consumables in the Company premises are verified at the end of the financial year.

8.3 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.

9.0 Accounting for Foreign Currency transactions:

9.1 Foreign currency transactions are recorded in the reporting currency by applying the exchange rate between the reporting currency and the foreign currency at the date of transaction.

9.2 Monetary items denominated in foreign currencies at the year end are restated at year end rates and Non-monetary items are carried at cost.

9.3 Exchange differences arising on settlement/restatement at rates different from those at which were initially recorded are recognized as income or as expenses in the year in which they arise.

10.0 Investments:

10.1 Investments that are readily realizable and intended to be held for not more than a year are classified as current investments and are carried at lower of cost or fair value determined on an individual investment basis.

10.2 All other investments are classified as long term investments and are carried at cost after providing for any diminution in value, if such diminution is of a permanent nature.

11.0 Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as a part of the cost of such assets. All other borrowing costs are charged to revenue.

12.0 Deferred Tax:

Deferred Tax is recognized, subject to the consideration of prudence, on timing difference, being the difference between taxable income

and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets are recognized to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

13.0 Extra-ordinary and exceptional Items:

Extra-ordinary and exceptional items are separately disclosed in the Statement of Profit & Loss.

14.0 Provisions:

A provision is recognized when the company has a present obligation as a result of past event, and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

15.0 Classification of Expenditure:

All expenditure and income are accounted for under natural heads of accounts. Where necessary, allocation of expenditure on functional basis has been given by way of note to the financial statements.

As per our Report of even date

For and on behalf of Board of Directors

For V.RAO & GOPI

Chartered Accountants
Firm's Registration No.003153S

Sd/-

(P. Hanumantha Rao)

Partner

Membership No.026990

Place: Hyderabad

Date: 04.08.2015

Sd/-

M. Narayana Rao

Chairman & Managing Director

Sd/-

B. G. Raj

Director (Finance)

Sd/-

Paul Antony

Company Secretary

Place: Hyderabad

Date: 04.08.2015

BALANCE SHEET AS AT 31st March 2015

Particulars	Note	31 st March 2015 (₹ In Lakhs)	31 st March 2014 (₹ In Lakhs)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	18,734.00	18,734.00
Reserves and Surplus	2	31,380.56	25,779.38
Share application money pending allotment		-	-
Non-Current Liabilities			
Long-term borrowings	3	1,434.34	1,817.53
Deferred tax liabilities (net)	4	1,546.50	642.55
Other long term liabilities	5	7,735.37	21,140.02
Long term provisions	6	56.46	49.30
Current liabilities			
Short-term borrowings	7	4,147.73	2,785.08
Trade payables	8	10,768.28	9,693.61
Other current liabilities	9	27,097.48	28,150.55
Short term provisions	10	8,545.13	26,241.26
		111,445.85	135,033.28
ASSETS			
Non current assets			
Fixed assets			
- Tangible assets	11	24,233.60	11,295.73
- Intangible assets	12	194.37	252.06
- Capital work in progress	13	944.09	11,792.59



Balance Sheet

Particulars	Note	31 st March 2015 (₹ In Lakhs)	31 st March 2014 (₹ In Lakhs)
Non Current investments	14	210.11	210.11
Long term loans and advances	15	160.13	138.95
Other non current assets	16	-	1.40
Current assets			
Inventories	17	42,301.54	45,278.73
Trade receivables	18	22,045.31	24,363.01
Cash and cash equivalents	19	8,940.41	10,564.86
Short term loans and advances	20	11,641.84	30,399.18
Other current assets	21	774.45	736.66
		111,445.85	135,033.28

Note nos.1 to 30 and Significant Accounting Policies annexed herewith form part of this Financial Statements.

As per our report of even date

for Mishra Dhatu Nigam Limited

for V. RAO & GOPI

Chartered Accountants

Firm's registration no. 003153S

Sd/-

Shri P. Hanumantha Rao

Partner

Membership No. 026990

Sd/-

M. Narayana Rao

Chairman & Managing Director

Sd/-

B. G. Raj

Director(Finance)

Sd/-

Paul Antony

Company Secretary

Place: Hyderabad

Date: 04.08.2015

Place: Hyderabad

Date: 04.08.2015

**STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31st March 2015**

Particulars	Note	31 st March 2015 (₹ In Lakhs)	31 st March 2014 (₹ In Lakhs)
Revenue:			
Revenue from operations	22	64737.54	55461.95
Other income	23	2268.62	2093.47
Total Revenue		67006.16	57555.42
Expenses			
Cost of materials consumed	24	21195.61	19607.60
Change in inventories of finished goods, work-in-progress and stock-in trade	25	733.12	(955.62)
Employee benefits expense	26	9514.17	9663.65
Finance costs	27	659.93	419.44
Depreciation and amortisation expense	11 & 12	978.67	603.72
Other expenses	28	20073.17	16335.70
Total expenses		53154.67	45674.49
Profit / (Loss) before exceptional and extraordinary items and tax		13851.49	11880.93
Exceptional items		-	-
Profit / (Loss) before extraordinary items and tax		13851.49	11880.93
Extraordinary items	29	-	(262.61)
Profit / (Loss) before tax		13851.49	12143.54



Statement of Profit and Loss

Particulars	Note	31 st March 2015 (₹ In Lakhs)	31 st March 2014 (₹ In Lakhs)
Tax expense			
1. Current Tax		2903.34	3181.20
2. Earlier Year Tax		31.82	105.99
3. MAT Credit Entitlement		(200.42)	-
4. Deferred Tax		903.95	610.06
Profit / (Loss) for the period from continuing operations		10212.80	8246.29
Profit/(Loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit / (Loss) from discontinuing operations (after tax)		-	-
Profit / (Loss) for the period		10212.80	8246.29
Earning per equity share (Amount in ₹)			
Basic	}	545.15	440.18
Diluted			

Note nos.1 to 30 and Significant Accounting Policies annexed herewith form part of this Financial Statements.

As per our report of even date

for Mishra Dhatu Nigam Limited

Sd/-

for V. RAO & GOPI

M. Narayana Rao

Chartered Accountants

Chairman & Managing Director

Firm's registration no. 003153S

Sd/-

Sd/-

Shri P. Hanumantha Rao

B. G. Raj

Partner

Director(Finance)

Membership No. 026990

Sd/-

Paul Antony

Place: Hyderabad

Company Secretary

Date: 04.08.2015

Place: Hyderabad

Date: 04.08.2015

STATEMENT OF CASH FLOW

Particulars	Year ended	
	31 st Mar 2015 (₹ in Lakhs)	31 st Mar 2014 (₹ in Lakhs)
I. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	13,851.49	12,143.54
Adjustment to reconcile net income to net cash providing by operating activities		
Depreciation	993.93	617.41
Interest Paid	659.93	419.44
Interest Received	(1,052.33)	(1,092.24)
Write back of provisions	-	-
Profit/Loss on fixed assets	(7.30)	-
Write Offs	3,069.43	1,492.77
Exchange Rate Variation	32.96	(6.37)
Provision for Doubtful debts / Advances / Modvat / Non-moving stores / spares	(81.71)	(1,220.66)
Sub-Total	3,614.91	210.35
Operating Profit before Working Capital Changes	17,466.40	12,353.89
Adjustment for Changes in Assets and Liabilities		
(Increase) / Decrease in Trade Receivables	2,317.70	2,375.13
(Increase) / Decrease in Inventories	2,977.19	3,013.76
(Increase) / Decrease in Other Current Assets	19,529.63	(4,536.05)
Increase / (Decrease) in Trade Payables & Other Liabilities	(33,866.33)	(7,175.39)

	Year ended 31 st Mar 2015 (₹ in Lakhs)	Year ended 31 st Mar 2014 (₹ in Lakhs)
Increase / (Decrease) in Bank Borrowings	979.46	(2,390.80)
Sub-Total	(8,062.35)	(8,713.35)
Cash Generated from Operations before Adj. from Other Assets	9,404.05	3,640.54
Adjustment for Other Assets	-	-
Sub-Total	9,404.05	3,640.54
Cash Generated from Operations	9,404.05	3,640.54
Direct Tax Paid	(3,770.00)	(3,839.00)
Sub-Total	(3,770.00)	(3,839.00)
Net Cash provided by Operating Activities (a)	5,634.05	(198.46)
II. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(3,150.44)	(3,491.36)
Proceeds from Sale of Fixed Assets	7.30	
Interest Received	1,006.72	1,691.49
Net Cash provided (used in) by Investing Activities (b)	(2,136.42)	(1,799.87)
III. CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(659.93)	(419.44)
Dividend Paid	(3,746.80)	(3,746.80)
Tax on Dividend Paid	(716.75)	(568.78)
Share capital/Share application money increase / decrease		
Net Cash provided by Financing Activities (c)	(5,123.48)	(4,735.02)

Cash Flow



	Year ended 31 st Mar 2015 (₹ in Lakhs)		Year ended 31 st Mar 2014 (₹ in Lakhs)	
	Abstract			
Net Cash provided by Operating Activities (a)		5,634.05		(198.46)
Net Cash provided (used in) by Investing Activities (b)		(2,136.42)		(1,799.87)
Net Cash provided by Financing Activities (c)		(5,123.48)		(4,735.02)
Net Increase/(decrease) in cash & cash equivalent during the year		(1,625.85)		(6,733.35)
Cash and Cash equivalent at the beginning of the year		10,566.26		17,299.61
Cash and Cash equivalent at the end of the year		8,940.41		10,566.26
		(1,625.85)		(6,733.35)
Components of Cash and Cash equivalents as at	31st March 2015	31st March 2014	31st March 2015	31st March 2014
	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)
Cash on Hand		4.64		5.08
With Post Office Savings Bank Account		-		1.40
With Scheduled Banks				
- in Current Account		335.77		859.78
- in Fixed Deposit		8,600.00		9,700.00
TOTAL		8,940.41		10,566.26

As per our report of even date

for **V. RAO & GOPI**

Chartered Accountants
Firm's registration no. 003153S
Sd/-

Shri P. Hanumantha Rao

Partner
Membership No. 026990

Place: Hyderabad

Date: 04.08.2015

for **Mishra Dhatu Nigam Limited**

Sd/-

M. Narayana Rao

Chairman & Managing Director

Sd/-

B. G. Raj

Director(Finance)

Sd/-

Paul Antony

Company Secretary

Place: Hyderabad

Date: 04.08.2015

NOTES FORMING PART OF FINANCIAL STATEMENT
1. SHARE CAPITAL

Particulars	As at 31 st March 2015 (₹ In Lakhs)	As at 31 st March 2014 (₹ In Lakhs)
Authorised		
Equity shares	20000.00	20000.00
20,00,000 shares @ ₹ 1,000/- per share		
(Previous Year 20,00,000 shares @ ₹ 1,000/- per share)	20000.00	20000.00
Issued		
Equity shares	18734.00	18734.00
18,73,400 shares @ ₹ 1,000/- per share		
(Previous Year 18,73,400 shares @ ₹ 1,000/- per share)	18734.00	18734.00
Subscribed and fully Paid up Equity shares		
Equity shares	18734.00	18734.00
18,73,400 shares @ ₹ 1,000/- per share		
(Previous Year 18,73,400 shares @ ₹ 1,000/- per share)	18734.00	18734.00
Grand Total	18734.00	18734.00

The company has only one class of share, i.e., equity shares having the face value of ₹ 1000/- per share. Hundred percent shares is held by President of India.

Reconciliation of shares outstanding at the beginning and at the end of the period :

Particulars	As at 31 st March 2015		As at 31 st March 2014	
	Number of Shares	Amount (₹ in Lakhs)	Number of Shares	Amount (₹ In Lakhs)
Outstanding as at Opening Date	1,873,400	18,734.00	1,873,400	18,734.00
Add: Issued during the period				
- To President of India	-	-	-	-
- To Employees	-	-	-	-
Less: Buy-back during the period (if any)	-	-	-	-
Outstanding as at Closing Date	1,873,400	18,734.00	1,873,400	18,734.00

2 RESERVES AND SURPLUS

Particulars	As at 31 st March 2015 (₹ In Lakhs)		As at 31 st March 2014 (₹ In Lakhs)	
	General Reserve			
Opening Balance		25,779.38		21,942.51
Less: Depreciation Adjustment		103.51		-
		25,675.87		21,942.51
Add: Additions during the year		5,100.00		3,836.87
Sub-total		30,775.87		25,779.38
Surplus				
Opening Balance		-		-
Add: Amount transferred from statement of profit and loss		10,212.80		8,246.29
Amount available for appropriation		10,212.80		8,246.29
Less: Appropriations				
Interim Dividend	400.00		400.00	
Proposed Final Dividend	3,346.80		3,346.80	
Dividend Tax	761.31		662.62	
Transferred to General Reserve	5,100.00	9,608.11	3,836.87	8,246.29
Sub-total		604.69		-
Total		31,380.56		25,779.38

3. LONG TERM BORROWINGS

Particulars	As at 31 st March 2015 (₹ In Lakhs)	As at 31 st March 2014 (₹ In Lakhs)
Secured		
Term Loans		
from Banks	1075.96	1329.15
(Secured by way of Hypothecation of Machinery Purchased out of Term Loan)		
(Excluding ₹ 325.91 Lakhs (Previous Year ₹ 234.56 Lakhs) which is due for payment within 12 months treated as Other Current Liability and included under Note 9)		
Repayable in 60 monthly equal installments		
	1075.96	1329.15
Unsecured		
Term Loans		
Loan from Govt of India	80.00	160.00
(Excluding ₹ 80 Lakhs (Previous Year ₹ 820 Lakhs) which is due for payment within 12 months treated as Other Current Liability and included under Note 9)		
Terms of Repayment, every year 1/5 of the principal amount		
Advances - Augmentation Facilities - VSSC	278.38	328.38
(This represents balance amount payable (net of ₹ 50.00 Lakhs (Previous Year ₹ 50.00 Lakhs) repayable within 12 months and treated as Other Current Liability and included under Note No.9) against refundable loan of ₹ 478.38 Lakhs received from VSSC for upgradation of forge press.)		
	358.38	488.38
Total	1434.34	1817.53

Maturity profile of Term Loan :

(₹ in Lakhs)

Borrower	Maturity Profile							
	Interest Rate	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Loan from Govt. of India	11.50%	80.00	80.00					
State Bank of India	10.35%	325.91	326.19	326.21	326.21	97.34		
VSSC		50.00	50.00	50.00	50.00	50.00	50.00	28.38

4. DEFERRED TAX LIABILITY (NET)

Particulars	As at 31 st March 2015 (₹ In Lakhs)	As at 31 st March 2014 (₹ In Lakhs)
Deferred Tax liabilities		
On Depreciation	1,888.36	1,067.15
Sub Total	1,888.36	1,067.15
Deferred Tax Assets		
On Provision	338.46	339.07
On Disallowance as per IT Act	3.40	85.53
Sub Total	341.86	424.60
Net Total	1,546.50	642.55

5. OTHER LONG TERM LIABILITIES

Particulars	As at 31 st March 2015 (₹ In Lakhs)	As at 31 st March 2014 (₹ In Lakhs)
Others:		
Material Received on Loan - Kaveri Project	23.58	23.58
Other Liabilities - VSSC	54.72	54.72
Expenditure CFP - TIFAC - TDAA	0.33	0.33
Advances Others	66.10	65.14
Advances from Customers	7,590.64	20,996.25
Total	7,735.37	21,140.02

6. LONG TERM PROVISIONS

Particulars	As at 31 st March 2015 (₹ In Lakhs)	As at 31 st March 2014 (₹ In Lakhs)
Provision for employee benefits		
Gratuity	46.46	40.46
Leave encashment	10.00	8.84
Total	56.46	49.30

7. SHORT TERM BORROWINGS

Particulars	As at 31 st March 2015 (₹ In Lakhs)	As at 31 st March 2014 (₹ In Lakhs)
Secured		
Repayable on demand		
Banks		
From State Bank of India-Cash Credit (By hypothecation of Raw materials, stock in process, finished good and book debts.)	7.59	-
From various banks-short term overdraft secured by pledge of fixed deposits (Secured by Fixed Deposits of ₹ 4600.16 Lakhs (Previous Year ₹ 3094.53 Lakhs)	4140.14	2785.08
Sub Total (a)	4147.73	2785.08
Unsecured		
NIL	-	-
Sub Total (b)	-	-
TOTAL (a+b)	4147.73	2785.08

8. TRADE PAYABLES

Particulars	As at 31 st March 2015 (₹ In Lakhs)	As at 31 st March 2014 (₹ In Lakhs)
Micro, Small & Medium Enterprises	97.35	104.01
Others @	10670.93	9589.60
Total	10768.28	9693.61

@Balances in Trade Payables are subject to confirmation and/ or reconciliation.

The information under MSMED Act, has been disclosed to the extent such vendors have been identified by the company during the year. The details of amounts outstanding to them based on available information with the Company is as under :

Particulars	As at 31 st March 2015 (₹ In Lakhs)	As at 31 st March 2014 (₹ In Lakhs)
Amount due and Payable at the year end		
- Principal	97.35	68.16
- Interest on above Principal	8.88	6.99
Payments made during the year after the due date		
- Principal	676.45	1,104.27
- Interest	-	-
Interest due and payable for principals already paid	28.20	32.91
Total Interest accrued and remained unpaid at year end	37.08	39.90

9. OTHER CURRENT LIABILITIES

Particulars	As at 31 st March 2015 (₹ In Lakhs)	As at 31 st March 2014 (₹ In Lakhs)
Current Maturities of Long Term Debt:		
Loan from Govt of India Ministry of Defence **	80.00	820.00
Term Loan from State Bank of India	325.91	234.56
Others:		
Advances from customers	17,727.17	18,499.75
Advance for Customer Financed projects	942.55	911.55
Earnest money deposit	28.17	21.82
Security Deposit	111.57	84.98
Liabilities to customers	4,386.09	1,995.86
Material Received on Loan - Others	90.39	95.60
Other creditors	1,318.54	2,929.38
Salary liability	1,392.48	1,125.01
Taxes and duties payable	694.61	699.35
Security Deposit Realised from M/S HBE PRESS, KOREA	-	732.69
Total	27,097.48	28,150.55

** This is earmarked for procurement of Forge Press exclusively which is kept in fixed deposit and payable within 12 months

10. SHORT TERM PROVISIONS

Particulars	As at 31 st March 2015 (₹ In Lakhs)	As at 31 st March 2014 (₹ In Lakhs)
Provision for Employee Benefits		
for Leave Salary	50.21	242.78
for Gratuity	(7.28)	213.08
for Post Retirement Medical Scheme	207.77	182.15
for Pension Scheme	253.87	250.61
for Others	929.04	529.67
Others		
Provision for taxation	2919.23	20688.77
Proposed dividends	3346.80	3346.80
Corporate dividend tax	681.33	636.77
Provision for Contingencies & Warranty	153.12	139.59
Provision others	11.04	11.04
Total	8545.13	26241.26

Movement in Provisions (Short term and Long term)

(₹ in Lakhs)

Particulars	As at 01.04.2014	Additions	Utilization	Reversal	As at 31.03.2015
Leave Encashment	251.62	296.25	487.66	-	60.21
Gratuity	253.54	79.82	294.18	-	39.18
Post Retirement Medical Scheme	182.15	25.62	-	-	207.77
Pension Scheme	250.61	252.59	249.33	-	253.87
Contingencies & Warranty	139.59	13.53	-	-	153.12
Others	540.71	512.44	113.07	-	940.08
Total	1618.22	1180.25	1144.24	-	1,654.23

(₹ In Lakhs)

11 & 12 FIXED ASSETS

Fixed Assets	Gross Block							Accumulated Depreciation						Net block		
	As at 1 April 2014	Additions	Acquired through business combinations	Other adjustments	Sub total	Disposals	As at 31 March 2015	As at 1 April 2014	Depreciation charge for the year	Adjustment due to revaluations	Disposal through demergers	Adjustments due to impairments/reversals	Deductions/Other adjustments	As at 31 March 2015	As at 31 March 2015	As at 31 March 2014
11. Tangible Assets																
Land and Roads and bridges Owned	199.14	-			199.14		199.14	36.45	-				30.39	66.84	132.30	162.69
Assets under lease																
Buildings/Drainage/water systems Owned	2,701.69	1,148.00			3,849.69		3,849.69	1641.97	70.68				6.69	1719.34	2,130.35	1,059.72
Assets under lease																
Leasehold improvements																
Plant and Equipment Owned	19,459.23	12,566.80			32,026.03		32,026.03	10395.38	659.59				38.80	11093.77	20,932.26	9,063.85
Assets under lease																
Furniture and Fixtures Owned	182.39	100.44			282.83		282.83	115.01	18.73				1.68	135.42	147.41	67.38
Assets under lease																
Vehicles Owned	292.95	1.47			272.84		272.84	114.19	29.71				(1.74)	142.16	130.68	178.76
Assets under lease																
Office equipment Owned	696.25	37.39			739.81		737.72	458.99	76.84				32.98	568.81	168.91	237.26
Assets under lease																

Fixed Assets	Gross Block						Accumulated Depreciation						Net block			
	As at 1 April 2014	Additions	Acquired through business combinations	Other adjustments	Sub total	Disposals	As at 31 March 2015	As at 1 April 2014	Depreciation charge for the year	Adjustment due to revaluations	Disposal through demergers	Adjustments due to impairments/reversals	Deductions/Other adjustments	As at 31 March 2015	As at 31 March 2015	As at 31 March 2014
Other(Electrical installations) Owned Assets under lease	815.66	143.72	-	0.39	959.77	2.27	957.50	289.59	69.11	-	-	-	7.11	365.81	591.69	526.07
Others (Unserviceable) Owned Assets under lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total (a)	24,347.31	13,997.82	-	(15.02)	38,330.11	4.36	38,325.75	13,051.58	924.66	-	-	-	115.91	14,092.15	24,233.60	11,295.73
Previous Year	19,630.83	5,401.21	-	(684.73)	24,347.31	-	24,347.31	13,113.04	549.41	-	-	(610.87)	13,051.58	11,295.73	6,517.79	-
12. Intangible Assets																
Computer software	335.99	-	-	(6.57)	329.42	-	329.42	95.47	51.65	-	-	-	(2.89)	144.23	185.19	240.52
Copyrights & Patents and other intellectual property rights, services and operating rights	15.00	-	-	-	15.00	-	15.00	3.46	2.36	-	-	-	-	5.82	9.18	11.54
Sub Total (b)	350.99	-	-	(6.57)	344.42	-	344.42	98.93	54.01	-	-	-	(2.89)	150.05	194.37	252.06
Previous Year	344.24	6.75	-	-	350.99	-	350.99	44.62	54.31	-	-	-	-	98.93	252.06	299.62
Grand Total (a+b)	24,698.30	13,997.82	-	(21.59)	38,674.53	4.36	38,670.17	13,150.51	978.67	-	-	-	113.02	14,242.20	24,427.97	11,547.79
Previous Year	19,975.07	5,407.96	-	(684.73)	24,698.30	-	24,698.30	13,157.66	603.72	-	-	-	(610.87)	13,150.51	11,547.79	6,817.41

1. No revaluation has been made of the assets during the period mentioned above.
2. Conveyance deeds for 275 acres and 35 guntas of Land acquired are yet to be executed. Out of the above, the extent of land leased to the following parties: DRDO- 35 acres and 39 guntas, AP State Govt.- 1 acre BDL- 1 acre, and 1.5 acres is under dispute on account of unauthorized possession by a third party.
3. 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.
4. The indications listed in paragraph 8 to 10 of Accounting Standard 28 -Impairment of Assets, have been examined and on such examination, it has been found that none of the indications are present in the case of the Company and hence no provision for a potential impairment loss is required. In respect of Titanium Tube Plant, a comparison of the estimated recoverable amount vis a vis the carrying cost indicates that there is no potential impairment loss and hence no provision is required
5. 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)
6. Plant and Machinery includes ₹ 580.81 Lakhs (Previous Year ₹ 378.30 Lakhs) for R & D capital costs.
7. Fixed Assets does not include assets valued ₹ 14439.51 Lakhs (previous year ₹ 9931.20 Lakhs) pertaining to customer financed projects.
8. Assets Gross Block of NIL (Previous Year ₹ 462.88 Lakhs) identified as Not traceable and the same were removed from the Fixed Assets Register and the Net Block of NIL (Previous Year ₹ 44.62 Lakhs) was written-off
9. Assets Gross Block of NIL (Previous Year ₹ 221.85 Lakhs) identified as condemned and the same were removed from the Fixed Assets Register and the Net Block of NIL (Previous Year ₹ 15.58 Lakhs) was shown in the Other Current Assets as 'Assets Held for Disposal' as per Accounting Policy 2.6
10. In line with the provisions of Schedule II of the Companies Act 2013, Salvage Value is considered as 5% of the Cost of Assets

11. 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 Lakhs	Life in Years	Amount ₹ in Lakhs	Amount ₹ in Lakhs
Plant and Equipment	78.74	25	1.75	5	14.32	12.57
Other (Electrical installations)	2.22	10	0.09	3	0.43	0.34
Office equipment	0.20	10	0.01	5	0.04	0.03
TOTAL	81.16		1.85		14.79	12.94
Previous Year	101.66		7.15		25.21	18.06

13. CAPITAL WORK-IN-PROGRESS

Particulars	As at 31 st March 2015 (₹ In Lakhs)	As at 31 st March 2014 (₹ In Lakhs)
Capital Work-in-Progress-Civil	41.25	757.04
Capital Work-in-Progress-Plant & Machinery Under Erection *	902.84	10,921.46
Plant, Machinery & Equipment under Inspection & in Transit	-	114.09
Total	944.09	11,792.59

* This includes an adjustment of ₹ NIL (Previous Year ₹ 143.03 Lakhs) towards net Borrowing Cost on the Govt. Loan & Term Loan from Bank taken for Forge Press

14. NON CURRENT INVESTMENTS

Particulars	As at 31 st March 2015 (₹ In Lakhs)	As at 31 st March 2014 (₹ In Lakhs)
Trade Investments Non-Trade, Unquoted AT COST		
Other Investment		
Investment in Equity instruments 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
Total	210.11	210.11

15. LONG TERM LOANS AND ADVANCES

Particulars		As at 31 st March 2015 (₹ In Lakhs)		As at 31 st March 2014 (₹ In Lakhs)
Capital Advances				
For purchase of fixed assets				
Secured, considered good ^		-		31.41
Unsecured, considered good		158.92		106.19
Doubtful	35.46		35.46	
Less:Provision	35.46	-	35.46	-
Sub-Total		158.92		137.60
Other loans and advances (specify nature)				
secured considered good (employee advance)		1.21		1.35
Sub-Total		1.21		1.35
Total		160.13		138.95

[^]Secured advances considered good includes advance payment made to Danieli & C.Officine Meccaniche S.P.A. for 6000T Forge Press NIL (Previous Year ₹ 31.41 Lakhs) secured by way of Bank Guarantee

16. OTHER NON-CURRENT ASSETS

Particulars		As at 31 st March 2015 (₹ In Lakhs)		As at 31 st March 2014 (₹ In Lakhs)
Others				
Others -Post office savings \$		-		1.40
Doubtful Advance to supplier	23.66		23.66	
Less: Provision	23.66	-	23.66	-
Obsolete and slow moving -Raw material	12.02		58.43	
Less:Provision	12.02	-	58.43	-
Obsolete and slow moving -consumables	77.26		66.36	
Less:Provision	77.26	-	66.36	-
Obsolete and slow moving -spares	260.07		274.80	
Less:Provision	260.07	-	274.80	-
Total		-		1.40

\$Pledged with Excise Authorities ₹ NIL (Previous Year ₹ 1.40 Lakhs).

17. INVENTORIES

Particulars	As at 31 st March 2015 (₹ In Lakhs)	As at 31 st March 2014 (₹ In Lakhs)
Raw Materials and components	9376.83	11948.73
Raw Materials and components -in transit	5102.06	5245.13
Total	14478.89	17193.86
Work-in-progress #	22815.46	23587.65
	22815.46	23587.65
Finished goods	2.20	-
Finished goods in transit	63.54	26.67
Total	65.74	26.67
Stores and spares	585.41	514.01
Stores and spares -in transit	101.09	116.83
Total	686.50	630.84
Loose Tools	16.54	16.54
Total	16.54	16.54
Consumables	1640.96	1569.59
Consumables-in transit	282.62	276.38
Total	1923.58	1845.97
Internally generated Scrap/rejected material	2314.83	1977.20
Total	2314.83	1977.20
Grand Total	42301.54	45278.73

The Inventory does not include material held in trust on behalf of customers.

#Work in progress Include materials lying with sub-contractors ₹ 1119.70 Lakhs (Previous year ₹ 606.46 Lakhs) and is subject to confirmation of balance by sub-contractors.

18. TRADE RECEIVABLES

Particulars	As at 31 st March 2015 (₹ In Lakhs)		As at 31 st March 2014 (₹ In Lakhs)	
Debts Outstanding for period exceeding Six Months				
Unsecured, considered good \$		5687.54		7684.75
Unsecured, considered doubtful	284.57		112.69	
Less: Provision	284.57	-	112.69	-
Total		5687.54		7684.75
Other Debts				
Unsecured, considered good \$		16357.77		16678.26
Unsecured, considered doubtful	859.31		-	
Less: Provision	859.31	-	-	-
Total		16357.77		16678.26
Grand Total		22045.31		24363.01

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.

19. CASH AND CASH EQUIVALENTS

Particulars	As at 31 st March 2015 (₹ In Lakhs)	As at 31 st March 2014 (₹ In Lakhs)
Cash and cash equivalents:		
Balances with banks	335.77	859.78
Cash on hand	4.64	5.08
Other Bank balances:		
Fixed Deposits held with various banks upto 12 months maturity	3999.84	6605.47
Fixed Deposit with banks upto 12 months maturity (to the extent pledged for OD)	4600.16	3094.53
Total	8940.41	10564.86

20. SHORT TERM LOANS AND ADVANCES

Particulars	As at 31 st March 2015 (₹ In Lakhs)	As at 31 st March 2014 (₹ In Lakhs)
Others		
Secured, considered good		
Advances to employees	1.47	2.34
Unsecured, considered good		
Advance income tax	5303.62	22174.93
MAT Credit Entitlement	200.42	-
Tax deducted at source	36.89	48.51
Prepaid expenses	108.03	61.87
VAT/Modvat/Service Tax/Customs Duty receivable	1455.36	2521.36
Claims receivable	465.32	910.85
Deposit with Customs and Excise	-	256.98
Deposit with others	274.27	131.67
Advances to employees	24.18	37.40
Advances to suppliers	1630.43	2460.11
Customer Financed Projects	2141.85	1793.16
Total	11641.84	30399.18

21. OTHER CURRENT ASSETS

Particulars	As at 31 st March 2015 (₹ In Lakhs)		As at 31 st March 2014 (₹ In Lakhs)	
Interest accrued on Bank Deposits		765.39		719.82
Interest accrued-doubtful	286.58		286.58	
Less: Provision	286.58	-	286.58	-
Interest accrued on loans to employees-considered good		1.30		1.26
Assets Held for Disposal		7.76		15.58
Total		774.45		736.66

22 : REVENUE FROM OPERATIONS

Particulars	For the Year Ended 31 st March 2015 (₹ In Lakhs)		For the Year Ended 31 st March 2014 (₹ In Lakhs)	
(a) Sale of Manufacturing Products		63215.23		55438.77
Sub-Total		63215.23		55438.77
(b) Sale of Expert Sourcing Solution		1649.11		-
Sub-Total		1649.11		-
(c) Sale of Services		226.58		374.85
Sub-Total		226.58		374.85
(d) Other Operating Revenues		479.15		457.16
Sub-Total		479.15		457.16
Revenue including Excise Duty		65570.07		56270.78
Less: Excise Duty		832.53		808.83
Total		64737.54		55461.95

23. OTHER INCOME

Particulars	For the Year Ended 31 st March 2015 (₹ In Lakhs)	For the Year Ended 31 st March 2014 (₹ In Lakhs)
Interest Income		
- From Banks	1052.33	1092.24
- From Employees	0.35	0.53
- From Others	5.51	168.57
Liquidated Damages	215.74	94.00
Exchange rate variance written back	-	6.37
Net gain on sale of Fixed Assets	7.30	-
Provisions written back		
- Non-Moving Inventories	50.24	-
Excess Liabilities written back	170.25	697.33
Forfeiture of Security Deposits	732.69	-
Other miscellaneous income	34.21	34.43
Total	2268.62	2093.47

Details of Other miscellaneous income:

Particulars	For the Year Ended 31 st March 2015 (₹ In Lakhs)	For the Year Ended 31 st March 2014 (₹ In Lakhs)
Sale of Application Forms (Personnel)	1.05	2.11
Service Charges received from AMTL /GTRE	13.32	14.77
Write Back of Old Advances received from Customers	-	14.47
Bond Charges recovered	-	0.13
Others	19.84	2.95
Total	34.21	34.43

24. COST OF MATERIAL CONSUMED

Particulars	For the Year Ended 31 st March 2015 (₹ In Lakhs)	For the Year Ended 31 st March 2014 (₹ In Lakhs)
Cost of Material for manufactured products *	21195.61	19607.60
Total	21195.61	19607.60

* Includes ₹ 4875.28 Lakhs (Previous Year ₹ 331.17 Lakhs) towards primary melting outsourced to SAIL, VISL.

25. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

Particulars	For the Year Ended 31 st March 2015 (₹ In Lakhs)	For the Year Ended 31 st March 2014 (₹ In Lakhs)
Opening Stock		
Work-in-progress	23,587.65	22,606.63
Finished Stock	26.67	52.07
	23,614.32	22,658.70
Closing Stock		
Work-in-progress	22,815.46	23,587.65
Finished Stock	65.74	26.67
	22,881.20	23,614.32
(Increase) / Decrease		
Work-in-progress	772.19	(981.02)
Finished Stock	(39.07)	25.40
Total	733.12	(955.62)

26. EMPLOYEE BENEFITS EXPENSE

Particulars	For the Year Ended 31 st March 2015 (₹ In Lakhs)	For the Year Ended 31 st March 2014 (₹ In Lakhs)
Salaries, wages	6411.96	6510.99
Contribution to provident fund and other funds-	564.49	588.39
Gratuity	79.82	339.26
Leave Encashment	296.25	406.88
Workmen and staff welfare expenses	1774.08	1443.23
Leave salary and pension contribution	252.59	247.32
Directors remuneration	134.98	127.58
Total	9514.17	9663.65

Disclosure relating to AS-18. Related Parties: Remuneration to Key Management Personnel:

Particulars	For the Year Ended 31 st March 2015 (₹ In Lakhs)	For the Year Ended 31 st March 2014 (₹ In Lakhs)
(a) Shri M Narayana Rao Chairman & Managing Director	48.88	50.70
(b) Shri V.S.Krishna murthy Director (Finance) upto 31.08.2014	31.40	37.58
(c) Shri B.G.Raj Director (Finance) w.e.f 01.09.2014	13.89	-
(d) Dr.D.K.Likhi Director (Prodn.&Mktg.)	40.81	39.30

As per the provision of the Revised Accounting Standard-15, the following information is disclosed in respect of gratuity as per actuarial valuation as on 31.03.2015 provided by LICGGF with whom the company has taken the Policy through its Gratuity Trust.

Report Under AS - 15 (Revised 2005)(PROVISIONAL) as on 31/03/2015 in respect of GGCA scheme of MISHRA DHATU NIGAM LIMITED POLICY NO.510424		
1	Assumptions	As on 31/03/2015
	Discount Rate	8.00%
	Salary Escalation	4.00%
2	Table showing changes in present value of obligations	As on 31/03/2015
	Present value of obligations as at beginning of year	464604347
	Interest cost	37168348
	Current Service Cost	7977033
	Benefits Paid	105612375
	Actuarial (gain)/Loss on obligations	60466994
	Present value of obligations as at end of year	464604347
3	Table showing changes in the fair value of plan assets	As on 31/03/2015
	Fair value of plan assets at beginning of year	443296120
	Expected return on plan assets	37356635
	Contributions	29267959
	Benefits paid	105612375
	Actuarial Gain / (Loss) on Plan assets	NIL
	Fair value of plan assets at the end of year	404308339
4	Table showing fair value of plan assets	
	Fair value of plan assets at beginning of year	443296120
	Actual return on plan assets	37356635

	Contributions	29267959
	Benefits Paid	105612375
	Fair value of plan assets at the end of year	404308339
	Funded status	-60296008
	Excess of Actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31st March)	
5	Actuarial Gain/Loss recognized	As on 31/03/2015
	Actuarial gain/(Loss) for the year -Obligation	60466994
	Actuarial (gain)/Loss for the year - plan assets	0
	Total (gain)/Loss for the year	60466994
	Actuarial (gain)/Loss recognized in the year	60466994
6	The amounts to be recognized in the balance sheet and statements of profit and loss	
	Present value of obligations as at the end of year	464604347
	Fair value of plan assets as at the end of the year	404308339
	Funded status	-60296008
	Net Asset/(liability) recognized in balance sheet	-60296008
7	Expenses Recognised in statement of Profit & loss	
	Current Service cost	7977033
	Interest Cost	37168348
	Expected return on plan assets	37356635
	Net Actuarial (gain)/Loss recognised in the year	60466994
	Expenses recognised in statement of Profit & loss	68255740
<p>Note : The above report is not certification under AS 15 (Revised 2005) read with Actuaries Act 2006. It is simply a report generated to help companies for proper accounting of employees liabilities.</p>		

27: FINANCE COST

Particulars	For the Year Ended 31 st March 2015 (₹ In Lakhs)	For the Year Ended 31 st March 2014 (₹ In Lakhs)
Interest expense:-		
Cash Credit	0.38	37.46
Short Term Overdrafts	358.07	298.51
Interest -Others	193.70	51.96
Interest-Term Loan	56.27	-
Interest-Govt. Loans	51.51	31.51
Total	659.93	419.44

28. OTHER EXPENSES

Particulars	For the Year Ended 31 st March 2015 (₹ In Lakhs)	For the Year Ended 31 st March 2014 (₹ In Lakhs)
Consumption of stores, loose tools and spare parts	2522.70	2544.83
Power and fuel	5111.54	4238.61
Rent	14.37	12.22
Repairs and maintenance		
- buildings	252.68	303.18
- plant and machinery	479.63	389.20
- others	46.11	82.98
Rates and taxes	9.91	10.81
Water charges	125.60	72.30
Insurance	138.22	112.63
Postage & telephone	60.93	65.97
Travelling and conveyance	211.50	288.22
Directors sitting fees	0.17	6.60
Factory expenses	55.41	12.60
Advertisement	135.93	101.12
Legal and professional fees	0.61	0.92
Auditor's remuneration(As per details below)	4.25	4.25
Internal Audit Fee	5.57	4.41
Hire of cars	28.28	7.98
Library books	20.19	20.26
News paper and journals	1.78	2.94
Membership fees	8.05	4.75
Training expenses	55.52	74.67
Entertainment/courtesy expenses	4.24	2.70

Particulars	For the Year Ended 31 st March 2015 (₹ In Lakhs)	For the Year Ended 31 st March 2014 (₹ In Lakhs)
Hostel/guest house expenses net of income	14.49	16.24
Business promotion expenses	242.98	145.15
Consultancy charges	66.24	56.76
Contract professionals expenses	99.67	87.59
Security guard charges	471.41	402.66
Administration expenses-Others	72.46	47.56
Exchange rate variance charged off	32.96	-
Liquidated damages on sales	2927.50	1411.04
Sales schemes	2228.63	1456.67
Prior Period (-) income / (+) expenses(As per details below)	(7.06)	(113.60)
Increase/Decrease Excise duty on finished goods	1.48	(1.34)
Bank charges	49.35	85.45
Provision for non moving inventories	-	121.99
Stock verification discrepancies	55.27	42.10
Provision for Contingencies & Warranty	13.53	23.60
Provision for Doubtful Debts	34.90	93.95
Bad debts written off	141.93	81.73
Fixed Assets written off	0.93	44.62
Printing and stationery	23.35	22.73
Sub-contractor expenses	3832.17	3754.94
CSR Expenses	227.79	191.71
R & D Contribution	250.00	-
Total	20073.17	16335.70

The Details of R&D Expenditure included in the natural head of accounts are as follows:

Particulars	For the Year Ended 31 st March 2015 (₹ In Lakhs)	For the Year Ended 31 st March 2014 (₹ In Lakhs)
Consumption of materials	112.75	349.85
Conversion costs	200.83	249.63
Other Expenditure	78.90	5.27
R & D Contribution	250.00	-
Total	642.48	604.75

Details of Prior Period Income / Expense

Particulars	For the year ended 31 st March 2015		For the year ended 31 st March 2014	
	Debit (₹ In Lakhs)	Credit (₹ In Lakhs)	Debit (₹ In Lakhs)	Credit (₹ In Lakhs)
Consumption of Materials etc.,				0.03
Employee Expenses				
Manufacturing Expenses				
Other Administrative Expenses		23.00		127.26
Selling Expenses				
Depreciation	15.26		13.69	
Other Income	0.68			
Interest Expenses				
Total	15.94	23.00	13.69	127.29
Net Total		7.06		113.60

Remuneration and other payments to the auditor

Particulars	For the Year Ended 31 st March 2015 (₹ In Lakhs)	For the Year Ended 31 st March 2014 (₹ In Lakhs)
Auditor		
(a) As Statutory Auditor	3.50	3.50
(b) For taxation matter	0.75	0.75
Total	4.25	4.25

29. EXTRAORDINARY ITEMS

Particulars	For the Year Ended 31 st March 2015 (₹ In Lakhs)	For the Year Ended 31 st March 2014 (₹ In Lakhs)
Income		
Refund of Pension Contribution	-	262.61
	-	262.61
Expenditure		
	-	-
	-	-
Net Income / (Expenditure)	-	262.61

30. Notes to Accounts

1) Basis of Preparation of Accounts

Assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company's operating cycle is considered as twelve months for the purpose of current, non-current classification of assets and liabilities.

- 2) In terms of exemption granted by erstwhile Company Law Board and in terms of Notification No. S.O.301(E) Dt. 08-02-2011 of Ministry of Corporate Affairs, the Board was vested with powers with regard to non-disclosure of quantitative information in the Annual Accounts, relating to purchases, sales, consumption of raw materials etc., to be shown under broad heads, as required under paragraphs 5(ii)(d), 5(iii) and 5 (viii) (a) to (e) except (d) of Part-II of Schedule VI of the Companies Act, 1956.

As per part-II of Schedule III of the Companies Act, 2013, company has to disclose the information covered under Para 5 (ii) (d), Para 5(iii), Para 5 (viii) (a), (b), (c) and (e). Considering that the Company is a Defence Public Sector Undertaking and due to security and strategic consideration, Ministry of Defence has requested Ministry of Corporate Affairs to consider granting exemption from publication of the above information in the financial statements from FY 2014-15 and response of the Ministry of Corporate Affairs is awaited.

In view of the above, disclosure as per Para 5 (ii) (d), Para 5 (iii), Para 5 (viii) (a), (b), (c) and (e) of part-II to Schedule III of the Companies Act, 2013 have not been made.

- 3) Midhani is a strategic industry with only one business segment and hence Segment Reporting as per AS-17 is not applicable.
- 4) Pursuant to introduction of the Companies Act 2013, w.e.f. 01.04.2014, the Accounting Policies 2.7, 2.8.1 & 2.9 on Fixed Assets with regard to charging of depreciation has been modified to align the same with the statute.

The impact of this change in Accounting Policy on each line item of the financial statements for the current year is shown in the table below:

PARTICULARS	Amount (₹ in Lakhs)	IMPACT
Reserves and Surplus (Depreciation adjustment where the remaining useful life of an asset is Nil) - Note 2	103.51	Decreased
Depreciation charge for the year - Note 11 & 12	(77.19)	Decreased
Accumulated Depreciation - Note 11 & 12	26.32	Increased
Profit Before Tax	77.19	Increased

- 5) In line with the requirements of Accounting Standard 29, erstwhile Accounting Policy 5.3 has been modified and substituted with Accounting Policies 5.3.1. & 5.3.2 to include creation of provision for likely claims of liquidated damages for shipments made during the year where a reliable estimate can be made.

The impact of this change in Accounting Policy on each line item of the financial statements for the current year is shown in the table below:

PARTICULARS	Amount (₹ in Lakhs)	IMPACT
Liquidated Damages on Sales (Note-28 Other Expenses)	949.70	Increased
Trade Receivables (Note 18)	949.70	Decreased
Profit Before Tax	949.70	Decreased

- 6) Erstwhile Accounting Policy 10.1 dealing with the accounting treatment of 'Sale of Unserviceable Scrap/stores' and Export Incentives has been dispensed with from the Financial Year 2014-15 as it is not relevant in the context of accounting of Sale of Scrap and Export Incentives. There is no impact of this change in Accounting Policy on the financial statements for the current year.

- 7) Erstwhile Accounting Policy 10.2 dealing with revenue recognition in respect of claims for price variation on Sales contracts / orders has been dispensed with from the Financial Year 2014-15 and following new Accounting Policy 7.4 under Sales has been incorporated: “Claims for additional revenue in respect of sales contracts/orders are accounted for as Sales in the year in which such revenue materialises.

The impact of this change in Accounting Policy on each line item of the financial statements for the current year is shown in the table below:

PARTICULARS	Amount (₹ in Lakhs)	IMPACT
Sale of Manufacturing Products (Note 22 - Revenue from operations)	2032.15	Increased
Trade Receivables (Note 18)	2133.75	Increased
Taxes and Duties Payable (Note 9 - Other Current Liabilities)	101.61	Increased
Liquidated Damages on Sales (Note-28 Other Expenses)	49.81	Increased
Profit Before Tax	1982.34	Increased

- 8) Post Retirement Medical Benefit Scheme for the eligible employees, as per Government Guidelines, is administered by a separate Trust. Company contributes to the Trust as per the provisions of the guidelines and contributions are charged to the Statement of Profit and Loss.
- 9) The previous period figures have been regrouped/reclassified, wherever necessary to conform to the current presentation.

10) CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

Particulars	As at 31 st March 2015 (₹ In Lakhs)	As at 31 st March 2014 (₹ In Lakhs)
Contingent Liabilities		
Claims against the company not acknowledged as debt	16967.73	19269.89
Bank Guarantees	3627.49	4876.98
Letter of credit outstanding	3241.94	7975.78
Others	50.00	50.00
	23887.16	32172.65
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Capital commitments)	2829.47	7898.69
	2829.47	7898.69
Total	26716.63	40071.34

11) DISCLOSURE PURSUANT TO NOTE NO. 6(U) OF PART I OF SCHEDULE III TO THE COMPANIES ACT, 2013

Particulars	As at 31 March 2015		As at 31 March 2014	
	₹ In Lakhs	Per share ₹	₹ In Lakhs	Per share ₹
Dividends proposed to be distributed to equity shareholders	3,746.80	200.00	3,746.80	200.00
Dividends proposed to be distributed to preference shareholders	-	-	-	-
Arrears of fixed cumulative dividends on preference shares	-	-	-	-

- 12) 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 Company has made a pension contribution @ 10% to the Trust with the approval of Board of Directors w.e.f 01.01.2007 to 31.03.2014, which includes ₹421.03 lakhs towards 3% contribution pending approval of MoD. However, MoD has not approved the proposal of the Company. The matter has been represented again with the MoD.

The Current year contribution to pension fund has been provided @ 10% considering the performance of the Company during the financial year. This includes ₹74.72 lakhs towards 3% contribution pending approval from MoD.

- 13) The Financial Statements for the year as approved by the Board of Directors on 22nd June 2015 and the report thereon issued by the Statutory Auditors were revised pursuant to C&AG's audit observation during the course of audit under section 143(6)(a) of the Companies Act, 2013, by amending Note No.30. This amendment has no impact on the reported figures in the Financial Statements.



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I REGISTRATION DETAILS:

Registration Number	1660	State Code	1
Balance Sheet Date	31 st March 2015		

II CAPITAL RAISED DURING THE YEAR

(Amount in Rupees Thousands)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

(Amount in Rupees Thousands)

Total Liabilities	11144585	Total Assets	11144585
-------------------	----------	--------------	----------

Sources of Funds

Paid Up Capital	1873400	Reserves and Surplus	3138056
Share Application Money	-		
Secured Loans	522369	Unsecured Loans	35838
Deferred Taxes	154650	Current Liabilities	4641089

Non Current Liabilities	779183
-------------------------	--------

Application of Funds

Net Fixed Assets	2537206	Investments	21011
Current Assets, Loans & Advances	8586368	Non Current Assets	0

Accumulated Losses

IV PERFORMANCE OF THE COMPANY

(Amount in Rupees Thousands)

Turnover (Gross earnings)	6473754	Total Expenditure	5315467
Profit / (-) Loss Before Tax	1385149	Profit / (-) Loss after Tax	1021280
Earning Per Share in Rupees	545.15	Dividend Rate %	20%



V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF COMPANY

Item Code Number (ITC Code)	72240000
Product Description	Other Alloy Steel in semi-finished forms Special Stainless Steel MDN 172/155/250
Item Code Number (ITC Code)	81080000
Product Description	Titanium and Titanium base Alloys Titan 12/15/31
Item Code Number (ITC Code)	81029300
Product Description	Molybdenum and articles thereof Moly wire

for **Mishra Dhatu Nigam Limited**

Sd/-

M. Narayana Rao

Chairman & Managing Director

Sd/-

B. G. Raj

Director(Finance)

Sd/-

Paul Antony

Company Secretary

Place: Hyderabad

Date: 04.08.2015

A. EXPENDITURE ON SOCIAL OVERHEADS FOR THE YEAR 2014-2015 - CAPITAL (₹ in Lakhs)



Description	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 1.04.2014	Additions during the year	Adj / Ded during the year	As at 31.3.2015	As at 1.04.2014	Adj / Ded during the year	Depr- ciation for the year	As at 31.3.2015	As at 31.3.2014
Land	28.66	--	--	28.66	--	--	--	28.66	28.66
Township Buildings: - Residential	103.24	--	--	103.24	47.75	--	2.25	53.24	55.49
Township Buildings: - Non-Residential									
a) School	44.74	--	--	44.74	16.15	--	0.92	27.67	28.59
b) Hospital	1.77	--	--	1.77	0.86	--	0.03	0.88	0.91
c) Sub-station buildings	1.92	--	--	1.92	0.88	--	0.06	0.98	1.04
Township External Services:									
(a) Water	5.62	--	--	5.62	2.50	--	0.16	2.96	3.12
(b) Electrical	7.45	--	--	7.45	7.13	--	7.13	0.32	0.32
© School furniture	10.19	--	--	10.19	8.22	--	0.62	1.35	1.97
Township Roads	8.24	--	--	8.24	3.68	--	4.15	0.41	4.56
TOTAL	211.83	--	--	211.83	87.17	--	8.19	116.47	124.66
Previous Year	209.20	3.18	(0.55)	211.83	84.76	(0.55)	2.96	124.66	124.44

B. EXPENDITURE ON SOCIAL OVERHEADS FOR THE YEAR 2014-15

(₹ in Lakhs)

Description	Township	Medical facilities Over & above those which are statutorily required	Other items of welfare expendi- ture	Total
Salaries & Wages (including PF contribution)	39.24	-	-	39.24
Electricity	23.86	-	-	23.86
Repair & Maintenance	18.03	-	-	18.03
Payment to Transport Co	-	-	-	-
Subsidies (Net)	-	-	-	-
Reimbursement of Tuition Fee	-	-	-	-
Interest subsidy on HB Loans	-	-	-	-
Miscellaneous Expenses	-	-	16.73	16.73
Township Dispensary	-	3.03	-	3.03
Depreciation	8.19	-	-	8.19
Total Expenditure	89.32	3.03	16.73	109.08
Previous Year	58.01	2.02	10.96	70.99
Income for current year	2.44	-	-	2.44
Income for previous year	2.44	-	-	2.44



C. PROJECTS / ACTIVITIES / PROGRAMMES ON CSR & SUSTAINABILITY FOR THE YEAR 2014-15

Particulars	(₹ in Lakhs)
Promoting Education	47.04
Protection of Environmental & Ecology balancing Projects	44.04
Promotion of Health	68.68
Women Empowerment	13.31
Renewable Energy	12.05
Other Projects	42.67
TOTAL	227.79



MISHRA DHATU NIGAM LIMITED

(A GOVT. OF INDIA UNDERTAKING, MINISTRY OF DEFENCE)

CIN U14292TG1973GOI001660

REGISTERED OFFICE & WORKS :

P.O. KANCHANBAGH, HYDERABAD - 500058, INDIA

Phone: +91-40-24340001 (10 lines),
24340201, 2430280, 24340044, 24340853 (Other lines)

Fax: +91-40-24340214/24340764,

E-mail: spralloy.midhani@nic.in

Website: www.midhani.gov.in

COMMERCIAL OFFICES

<p>NEW DELHI Flat No. 8330, C-8, Vasant Kunj, NEW DELHI - 110 070 Tele-fax: +91-011-26890253 Tel: +91-011-41666375 e-mail: dro@midhani.gov.in</p>	<p>KOLKATA BE - 70, Ground Floor, Sector 1, Salt Lake, KOLKATA - 700 064 Tele-fax: +91-033-23348411 Tel: +91-033-23344832 e-mail: kco@midhani.gov.in</p>
<p>CHENNAI 13, New / 5 (Old), Vyasara Street, East Tambaram CHENNAI - 600 059 Tele-fax: +91-044-22394983 Tel: +91-044-22394982 e-mail: cco@midhani.gov.in</p>	<p>BANKERS ANDHRA BANK, HDFC BANK STATE BANK OF INDIA</p>
<p>STATUTORY AUDITORS M/s V. Rao & Gopi Chartered Accountants, Hyderabad</p>	<p>COST AUDITORS M/s KRJ & Associates, Hyderabad</p>



MISHRA DHATU NIGAM LIMITED

(A GOVT. OF INDIA UNDERTAKING, MINISTRY OF DEFENCE)

CIN U14292TG1973GOI001660

REGISTERED OFFICE & WORKS :

P.O. KANCHANBAGH, HYDERABAD - 500058, INDIA

Phone: +91-40-24340001 | Fax: +91-40-24340214/24340764,

E-mail: spralloy.midhani@nic.in | Website: www.midhani.gov.in

