MDN/CS/AGM/2021-22

September 6, 2021

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

Scrip Code: 541195

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

Trading Symbol: MIDHANI

Sub: Notice of 47th Annual General Meeting (AGM) and Annual Report for FY 2020-21
Ref : Our letter MDN/CS/AGM/2021-22 dated

Dear Sir/Madam,

(i) In furtherance to our letter quoted under reference, the 47th AGM of the Company will be held on Wednesday, September 29, 2021 at 11.00 A.M. (IST) through Video Conferencing/ Other Audio Visual Means.

(ii) In terms of Regulations 30 & 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report for FY 2020-2021 which *inter-alia* includes Notice of 47th Annual General Meeting.

(iii) The aforesaid documents are also available on website of Company *viz.* www.midhani-india.in and the same are being dispatched *via.* e-mail to all eligible shareholders whose email ID are registered with the Company/ Depository Participant(s).

This is for information and records.

Thanking You,

Yours Faithfully,
For Mishra Dhatu Nigam Limited

मिश्र धातु निगम लिमिटेड, रक्षा मंत्रालय
हैदराबाद
Hyderabad-500058
Mishra Dhatu Nigam Limited, Ministry of Defence

Paul Antony
Company Secretary & Compliance officer

Encl : As above

MISHRA DHATU NIGAM LIMITED

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

Forging Resilience, Delivering Growth

ANNUAL REPORT 2020-21

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For more additional information log on to www.midhani-india.in

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

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

आधिप्रमाणित

Authenticated

रक्षा राज्य मंत्री

Raksha Rajya Mantri

Forging Resilience, Delivering Growth

MIDHANI has been a strategic materials supplier to the nation for last four decades, serving strategic sectors of nation i.e. Defence, Energy & Aerospace with its wide range of Superalloys and Special Steels. FY 2020-21 has been a year of MIDHANI's resilience and growth. MIDHANI's ideology of 'Accept, Adapt and Act' has helped carve out FY21 as a year of achievements. Our state of the art facilities are capable of catering to complex and dynamic requirements of critical materials. New facilities such as Wide Plate Mill, a dedicated Armouring facility are also being set up. MIDHANI has also taken steps to mark its presence in railway sector. We, with great pride present our 47th Annual Report covering Board's Report and Financial Statements.

MISHRA DHATU NIGAM LIMITED

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

NOTICE is hereby given that the forty seventh (47th) Annual General Meeting of the Members of **MISHRA DHATU NIGAM LIMITED (MIDHANI)** will be held on Wednesday the 29th day of September 2021 at 11.00 AM (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following businesses:

ORDINARY BUSINESS

ITEM NO.1
To receive, consider and adopt:

a) the audited standalone financial statements of the Company for the financial year ended March 31, 2021, the reports of the Board of Directors and Auditors thereon; and

b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2021 and report of the Auditors thereon.

ITEM NO.2
To confirm payment of interim dividend i.e. ₹ 1.20/- per equity share of ₹ 10 each (i.e. @12%) and to declare final dividend of ₹ 1.58/- per Equity Share of ₹ 10/- each (i.e. @ 15.80%) for the financial year ended on March 31, 2021.

ITEM NO.3
To appoint a Director in place of Dr. Sanjay Kumar Jha (DIN: 07533036), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

ITEM NO.4
To ratify the remuneration to be paid to S.S. Zanwar & Associates, Cost Accountants as Cost Auditor of the Company and in this regard, to pass the following resolution as an **ORDINARY RESOLUTION:**:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, a fee of ₹ 1,40,000/- (excluding applicable statutory levies and reimbursement of out of pocket expenses), to be paid to S.S. Zanwar & Associates, Cost Accountants (Registration No. 100283), appointed by the Board of Directors as Cost Auditor to conduct the audit of cost records of the Company, as applicable, for the Financial Year ending on March 31, 2022, be and is hereby approved."

By the Order of the Board of Directors

Sd/-
Paul Antony
Company Secretary

Hyderabad
August 12, 2021

Notes:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated January 13, 2021 read together with circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM. Accordingly, Registered Office of the Company i.e. P.O. Kanchanbagh, Hyderabad - 500058 shall be deemed to be the venue of this AGM.

2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

3. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

4. Institutional / Corporate Member intending to depute their authorised representative to attend the AGM are requested to provide certified copy of the Board Resolution/Power of Attorney together with specimen signature of the representative(s), authorising the said person by sending an e-mail at company.secretary@midhani-india.in with a copy marked to the scrutinizer at ramakrishna@rna-cs.com to attend AGM through VC / OAVM and vote on their behalf through e-voting.

5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.

6. Dr. Sanjay Kumar Jha may be deemed to be interested in the Item No. 3 of the Notice. Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary & Special Business set out under Item Nos. 1 to 4 of the Notice

7. The Statement pursuant to Section 102 of the Companies Act, 2013 relating to Item No. 4 of the Notice is annexed hereto.

8. Pursuant to the provisions of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) and Secretarial Standard on General Meeting (SS-2) issued by the Institute of Company Secretaries of India, details of Directors seeking appointment/re-appointment at this Annual General Meeting, are annexed herewith.

9. **Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, September 23 , 2021 to Wednesday, September 29, 2021 (both days inclusive).**

10. In terms of the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018, with effect from April 1, 2019, securities of listed companies can be transferred only in dematerialised form (except for transmission or transposition of securities). Accordingly, the Company will not accept any fresh lodgement of transfer of shares in physical form.

11. **The final dividend on Equity Shares for the financial year ended on March 31, 2021 as recommended by the Board of Directors, if declared by the Members at AGM, will be credited/paid on or after September 29, 2021:**

    a) in respect of shares held in electronic form, to those members whose name appear as Beneficial Owners as at the end of the business hours on Wednesday, September 22, 2021 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited; and

    b) in respect of shares held in physical form, to those members whose name appear in the Register of Members of the Company as at the end of the business hours on Wednesday, September 29, 2021 after giving effect to:

        i) valid request(s) received for transmission/ transposition of shares; and

        ii) valid requests of transfer of shares in physical form (re-lodgement cases i.e. requests for transfer(s) which were received prior to April 1, 2019 and returned due to deficiency in the documents)

    lodged with the Company/its Registrar & Share Transfer Agent on or before Tuesday, September 21, 2021.

12. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested

to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company (in case of shares held in physical mode) and depositories & Alankit (in case of shares held in demat mode)

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to rta@alankit.com or company.secretary@midhani-india.in by Wednesday, September 22, 2021 Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to rta@alankit.com or company.secretary@midhani-india.in The aforesaid declarations and documents need to be submitted not later than by Wednesday, September 22, 2021.

13. Members are requested to visit the website of the Company *viz.* www.midhani-india.in for viewing the quarterly and annual financial results and other information of the Company.

14. In compliance with the aforesaid MCA Circulars and SEBI Circular dated January 15, 2021 Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website viz. www.midhani-india.in. , websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL https://www.evoting.nsdl.com.

15. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same by providing their name, shareholding details, e-mail id to receive the notice calling AGM, Annual Report & other documents permissible to be sent through electronic mode, by sending e-mail at rta@alankit.com. For any other investor related queries, communication may be sent by e-mail to company.secretary@midhani-india.in

16. Alankit Assignment Limited (ALANKIT) is the Registrar & Share Transfer Agent of the Company. All investor related communication may be addressed to ALANKIT at the following address:

    Alankit House, 4E/2, Jhandewalan Extension,
    New Delhi - 110055
    Tel : 011-42541234
    Fax: 011- 42541201
    E-mail: rta@alankit.com

17. Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on March 31, 2021 (on the website of the Company viz. www.midhani-india.in. Members who have not encashed /received dividend so far, are requested to write to ALANKIT who shall arrange to remit the unclaimed dividend amount on completion of necessary formalities.

18. Members are hereby informed that under the Companies Act, 2013, the Company is obliged to transfer any money lying in the Unpaid Dividend Account, which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the Unpaid Dividend Account, to the credit of the Investor Education and Protection Fund ('the Fund') established by the Central Government. Further, pursuant to the provisions of section 124 of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ('IEPF Rules'), all the shares on which dividend remain unpaid/ unclaimed for a period of seven consecutive years or more shall be transferred to the demat account of the IEPF Authority as notified by the Ministry of Corporate Affairs. Hence, the Company urges all the shareholders to en-cash/claim their respective dividend during the prescribed period.

19. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic mode are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical mode can submit their PAN to the Company/ALANKIT.

20. In terms of SEBI circular dated April 20, 2018, Members holding shares in physical form and whose PAN and Bank details are not updated with ALANKIT, are requested to submit their PAN and Bank Account details, along with self-attested copy of PAN Card and original cancelled cheque/ attested copy of bank passbook bearing name of the Member.

21. Members holding shares in physical form can avail the facility of nomination pursuant to the provisions of Section 72 of Act, and for the same they are advised to send their nomination in the prescribed Form No. SH-13 to ALANKIT at the above mentioned address. Members holding shares in electronic form may contact their respective Depository Participant for availing this facility.

22. Members who are holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or ALANKIT, details of such folios together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the members after making requisite changes, thereon. Members are requested to use the share transfer form SH-4 for this purpose.

23. For effecting change in address/bank details/NECS (National Electronic Clearing Services) mandate; Members are requested to notify:

    (i) ALANKIT, if shares are held in physical form; and

    (ii) their respective Depository Participant (DP), if shares are held in electronic form.

24. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), NECS mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs and ALANKIT in case the shares are held by them in electronic form and to MIDHANI in case the shares are held by them in physical form.

25. The statutory registers as stipulated under the Act will be available for inspection during the AGM.

26. Members may send their queries, if any, on the financial statements/operations of the Company at company.secretary@midhani-india.in, at least 7 days before the Meeting, so that the information can be compiled in advance.

27. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, and the provisions of Regulation 44 of the SEBI Listing Regulations, Members are provided with the facility to cast their vote on all items/resolutions set forth in this Notice, through remote e-voting on NSDL's e-voting platform. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

28. **Persons whose name appears in the Register of Member/list of Beneficial Owners as on Wednesday, September 22, 2021 (cut-off date) shall be entitled to vote by way of e-voting on the date of AGM/ remote e-voting on the Resolutions set forth in this Notice. Any person who is not a Member as on the above cut-off date should treat this Notice for information purpose only.**

29. In case a person has become a Member of the Company after dispatch of the Notice but on or before the Cut-off date i.e. September 22, 2021 or has registered the e-mail address after dispatch of the Notice, such Member may obtain the user ID and password in the manner outlined in the Notice of AGM.

30. **The remote e-voting facility will be available during the following period:**

Commencement of remote e-voting	**From 9.00 a.m. (Server time) September 25, 2021 (Saturday)**
End of remote e-voting	**Up to 5.00 p.m. (Server time) on September 28, 2021 (Tuesday)**

    Remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by NSDL upon expiry of aforesaid period.

31. The Board of Directors has appointed Shri R. Ramakrishna Gupta, a Company Secretary in practice (C.P. No. 5523) as Scrutinizer to scrutinize the e-voting at AGM and remote e-voting process in a fair and transparent manner.

32. The Scrutinizer shall, after conclusion of voting at the AGM, count the votes cast at the meeting. Thereafter, he will unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours from the conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against the resolution, invalid votes, if any and whether the resolution(s) has/have been carried or not, to the Chairperson or any other person authorised by Chairperson in writing, who shall countersign the same and declare the result of the voting.

33. The result of voting along with the scrutinizers' report shall be placed on the website of the Company viz. www.midhani-india.in and on NSDL's website www.evoting.nsdl.com immediately after the same is declared, and shall be simultaneously forwarded to the stock exchanges. The results shall also be displayed at the Registered Office of the Company.

34. The resolutions shall be deemed to be passed on the date of AGM subject to receipt of requisite number of votes in favour of the resolution(s).

35. Members are requested to carefully read the "Procedure and Instructions for remote e-voting" given below.

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

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

Step 1: Access to NSDL e-Voting system

A) Login method for e-voting for individual shareholders holding securities in demat mode

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

Type of shareholders	Login Method
Individual shareholders holding securities in demat mode with NSDL.	1. Existing (Internet-based Demat Account Statement) IDeAS user can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-eoting page. Click on company name or e-voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. 4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period

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

Any person, who acquire shares and become Member of the Company after the date of electronic dispatch of the Notice and holding shares as on the cut-off date i.e September 22, 2021, may obtain the login ID and password by sending a request at evoting@nsdl.co.in However, if he/she is already registered with NSDL for remote e-voting then he/ she can use his/her existing User ID and password to cast the vote.

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

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

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

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

a) If you are already registered for e-voting, then you can user your existing password to login and cast your vote.

b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your e-mail ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password, then follow these steps:

a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-voting will open.

Step 2: Cast your vote electronically on NSDL e-voting system.

How to cast your vote electronically on NSDL remote e-voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period now you are ready for e-Voting as the Voting page opens.

3. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

4. Upon confirmation, the message "Vote cast successfully" will be displayed.

5. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

6. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

How to cast your vote electronically during AGM?

1. The procedure for e-voting during the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members / Shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

3. The details of the person who may be contacted for any grievances connected with the facility for e-voting during the AGM shall be the same as mentioned above for remote e-voting.

Process for procuring user ID for those shareholders whose email ids are not registered with the depositories/ company and registration of e-mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of), Aadhaar card (self attested scanned copy) by email to (company.secretary@midhani-india.in or rta@alankit.com).

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy), Aadhaar card (self attested scanned copy of) to (company.secretary@midhani-india.in or rta@alankit.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at Step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

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

INSTRUCTIONS FOR ATTENDING THE AGM THROUGH VC / OAVM

1. Members will be able to attend the AGM through VC / OAVM provided by NSDL at https://www.evoting.nsdl.com by using their remote e-voting login credentials and selecting the EVEN for Company's AGM. Members who do not have the User ID and Password for e-voting or have forgotten the User ID

and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further, Members can also use the OTP based login for logging into the e-voting system of NSDL.

2. Facility of joining the AGM through VC / OAVM shall be available 30 minutes before and after the scheduled time of the commencement of AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/ OAVM will be made available for 1,000 Members on first come first served basis (except Shareholders holding 2% or more shareholding, Promoters' Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of the Audit, Risk Management and Ethics Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis).

3. Members joining through Laptops / Mobile devices are recommended to use stable Wi-Fi or LAN connection for better experience.

4. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

5. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in/ 1800-1020-990/1800-224-430 or contact Ms. Pallavi Mhatre, Manager-NSDL at pallavid@nsdl.co.in/ 022- 24994545.

PROCEDURE FOR SPEAKER REGISTRATION AND TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:

Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending a request in the below given form from their Registered Email ID to company.secretary@midhani-india.in in till September 22, 2021. Only those member who have registered themselves as a Speaker will be allowed to express their views/ask questions during the AGM.

SPEAKER REGISTRATION FORM *

Name of Shareholder (including joint holder)	
DPID-CLID / Folio Number	
Permanent Account Number (PAN)	
Mobile Number	
Profession Query in brief	

*All fields are mandatory

General Guidelines for shareholders

1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to ramakrishna@rna-cs.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

2. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to evoting@nsdl.co.in

3. Any queries / grievances in relation to voting through electronic mode may be addressed to NSDL, Ms. Pallavi Mhatre, (Manager), NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013. Email: evoting@nsdl.co.in, Tel: 1800 222 990/ 91 22 2499 4200.

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

Item No. 4

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

The Board of Directors of the Company approved the appointment of S.S. Zanwar & Associates, Cost Accountants (Registration No. 100283), with annual fee of ₹ 1,40,000/- (exclusive of statutory levies) to conduct the audit of the cost records of the Company for the Financial Year 2021-22.

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

Accordingly, members are requested to consider and ratify the remuneration payable to Cost Auditors for the financial year 2021-22 as set out in the resolution for the aforesaid services.

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

None of the Directors/Key Managerial Personnel of the Company/their relatives are in anyway, concerned or interested, financially or otherwise, in the resolution at item No. 4 of the accompanying Notice.

By the Order of the Board of Directors

Sd/-
Paul Antony
Company Secretary

Hyderabad
August 12, 2021

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

Name of the Director	**Dr. Sanjay Kumar Jha**
DIN	07533036
Date of Birth	February 20, 1964
Date of first appointment on the Board	July 5, 2016
Qualifications	Dr S. K. Jha has obtained B.Sc. (Engg.) from NIT Jamshedpur and joined the 32nd batch training school of Bhabha Atomic Research Centre (BARC). He successfully completed one year intensive course in nuclear science and technology and was posted in Nuclear Fuel complex (NFC). He has completed his PHD in Engineering Sciences from Homi Bhabha National institute (HBNI), BARC.
Expertise in specific functional areas	He started his carrier at Nuclear Fuel Complex (NFC) as scientific officer 'C' and reached upto the level of scientific officer 'H+'. In the year 2016 he joined Mishra Dhatu Nigam (MIDHANI) as Director (Production & Marketing) and was appointed to the position of Chairman & Managing Director of Company with effect from May 1, 2020.
Terms and conditions of appointment or reappointment	Pursuant to the presidential orders issued by Government of India, Ministry of Defence bearing letter No. 5/1(2)/2018/D(NS) dated April 30, 2020. The current terms and conditions of his employment were prescribed by Ministry of Defence vide order No. 5/1(2)/2018/D(NS) dated July 13, 2020.
Details of remuneration last drawn (FY 2020-21)	₹ 50.48 Lakh
Directorships in other Public Limited Companies (excluding foreign companies, private companies & Section 8 companies)	Utkarsha Aluminium Dhatu Nigam Limited
Membership of Committees/ Chairmanship in other Public Limited Companies	Nil
No. of Board Meetings attended during the Financial Year 2020-21	7
No. of shares held in the Company:	
(a) Own	Nil
(b) For other persons on a beneficial basis	Nil

Note : Dr. S.K. Jha is not related to any Director or KMP of the Company.

About MIDHANI

Mishra Dhatu Nigam Limited (MIDHANI), incorporated on the 20th Day of November 1973 is a Public Sector Undertaking under the Administrative control of Dept. of Defence Production, Ministry of Defence, Government of India.

The production unit of MIDHANI located at Kanchanbagh, Hyderabad, was commissioned in the year 1982. MIDHANI primarily caters to the needs of critical materials and alloys required by strategic sectors of our country like Defence, Space, Atomic Energy, Aeronautics etc.

MIDHANI is one of the leading manufacturers of special steels, Superalloys and the only manufacturer of Titanium alloys in India. The materials manufactured 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. It was set up with a view to achieve self-reliance in production and supply of various super alloys, special steels, materials to strategic sectors of our country.

Manufacturing Facilities:

The manufacturing facilities at MIDHANI include Primary and Secondary melting furnaces such as Electric Arc Furnace with Ladle Refining Furnace, Vacuum Degassing/ Vacuum Oxygen Decarburisation, Vacuum Induction Melting Furnace, Vacuum Induction Refining Furnace, Vacuum Arc Re-Melting Furnace, Electro Slag Re-Melting Furnace and Electron Beam Melting Furnace.

Subsequent operations are carried out at 6000T/1500T Forge Presses, Ring Rolling Mill, Hot Rolling and Cold Rolling Mills, Bar and Wire Drawing Mills etc. based on the output, form and sizes required.

The auxiliary supporting services like conditioning, heat treatment, machining, pickling, quality control also forms part of MIDHANI's manufacturing processes.

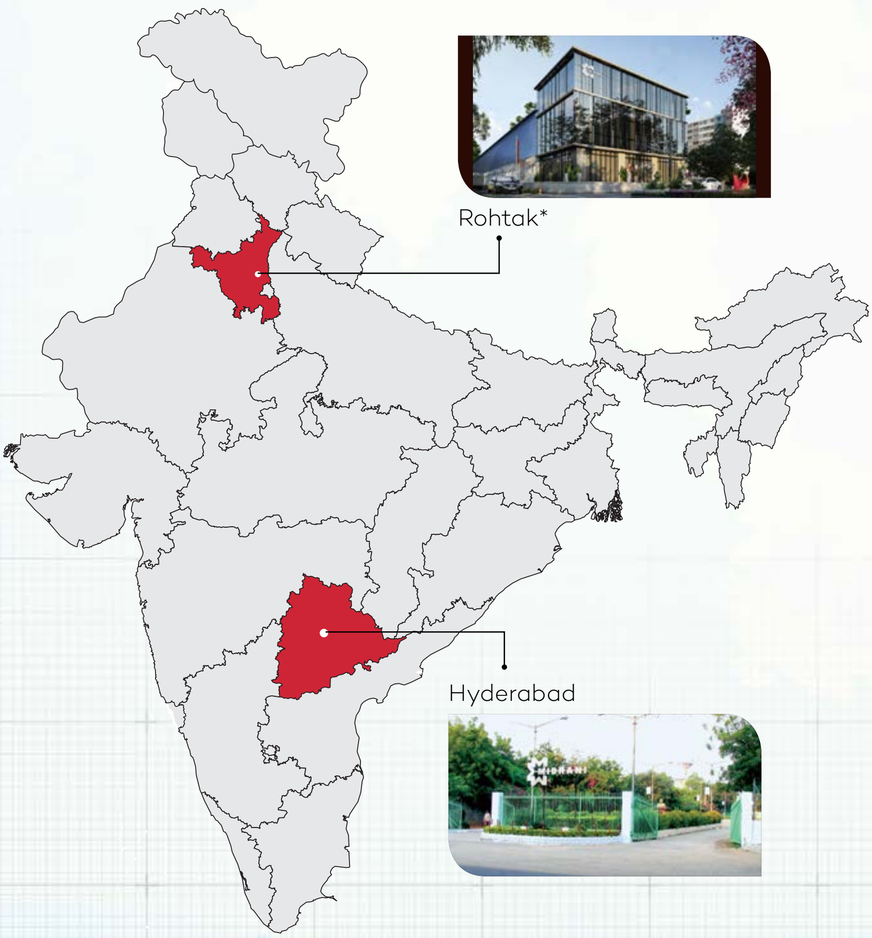
Our Mission:

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

Sectors we serve

Defence | Aerospace | Energy

Our Presence



** Artist's impression*

Our Pillars of Success

State-of-the-art facilities

Our manufacturing facilities are equipped with cutting edge technologies and processes enabling us to deliver superior quality product at minimum lead time. We are the only Company in India to carry out vacuum based melting and refining through our best-in-class vacuum melting furnace including vacuum induction melting, vacuum arc re-melting, vacuum degassing/ vacuum oxygen decarburisation, electro slag re-melting and electron- beam melting. Our advanced facilities also empowers us to provide our customers with high quality products which meet their stringent quality requirements.

₹ **15,825.79** lakh

CAPEX invested in FY21

Innovative and unique product portfolio

We produce and offer a wide range of products with varied shapes, properties and sizes across steel and alloy. Our process capabilities across the product manufacturing value chain, including melting, forging, rolling, wire drawing, investment casting, machining and quality testing gives us an edge over our competitors.

Long standing relationship with customers

Over the years, we have built a strong and mutually beneficial relationship with our customers. We partnered with many of our key customers in the product development process, enabling our products to meet their requirement alongwith ensuring repeat orders.

3+

Decades of relationship with key customers

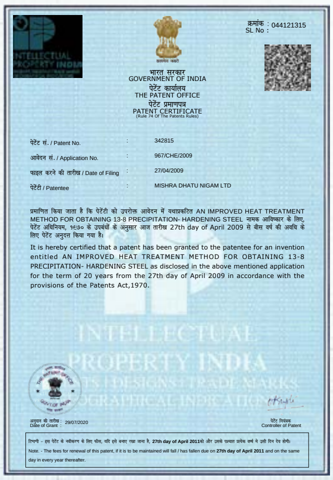
R&D capabilities

Our in-house research and development team constantly works towards improving the product quality and processes innovation. We place strong emphasis on research and development to enhance our product range and improving our manufacturing processes.

We have a dedicated Technology Advisory Board which guides us to the required technology for the development of new products.

2

Patents have been granted to MIDHANI



क्रमांक : 044121315
SL No :

भारत सरकार
GOVERNMENT OF INDIA
पेटेंट कार्यालय
THE PATENT OFFICE
पेटेंट प्रमाणपत्र
PATENT CERTIFICATE
(Rule 74 Of The Patents Rules)

पेटेंट सं. / Patent No.	:	342815
आवेदन सं. / Application No.	:	967/CHE/2009
फाइल करने की तारीख / Date of Filing	:	27/04/2009
पेटेंटी / Patentee	:	MISHRA DHATU NIGAM LTD

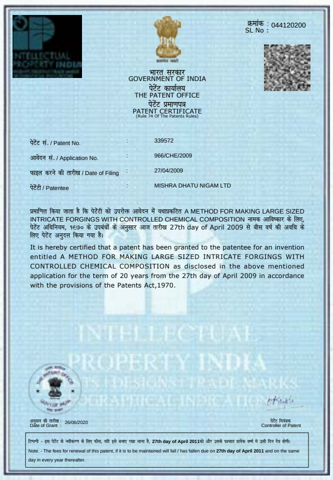
प्रमाणित किया जाता है कि पेटेंटी को उपरोक्त आवेदन में यथाप्रकटित AN IMPROVED HEAT TREATMENT METHOD FOR OBTAINING 13-8 PRECIPITATION- HARDENING STEEL नामक आविष्कार के लिए, पेटेंट अधिनियम, १९७० के उपबंधों के अनुसार आज तारीख 27th day of April 2009 से बीस वर्ष की अवधि के लिए पेटेंट अनुदत्त किया गया है।

It is hereby certified that a patent has been granted to the patentee for an invention entitled AN IMPROVED HEAT TREATMENT METHOD FOR OBTAINING 13-8 PRECIPITATION- HARDENING STEEL as disclosed in the above mentioned application for the term of 20 years from the 27th day of April 2009 in accordance with the provisions of the Patents Act,1970.

अनुदान की तारीख : 29/07/2020
Date of Grant :

पेटेंट नियंत्रक
Controller of Patent

टिप्पणी - इस पेटेंट के नवीकरण के लिए फीस, यदि इसे बनाए रखा जाना है, **27th day of April 2011**को और उसके पश्चात प्रत्येक वर्ष मे उसी दिन देय होगी।
Note. - The fees for renewal of this patent, if it is to be maintained will fall / has fallen due on **27th day of April 2011** and on the same day in every year thereafter.



क्रमांक : 044120200
SL No :

भारत सरकार
GOVERNMENT OF INDIA
पेटेंट कार्यालय
THE PATENT OFFICE
पेटेंट प्रमाणपत्र
PATENT CERTIFICATE
(Rule 74 Of The Patents Rules)

पेटेंट सं. / Patent No.	:	339572
आवेदन सं. / Application No.	:	966/CHE/2009
फाइल करने की तारीख / Date of Filing	:	27/04/2009
पेटेंटी / Patentee	:	MISHRA DHATU NIGAM LTD

प्रमाणित किया जाता है कि पेटेंटी को उपरोक्त आवेदन में यथाप्रकटित A METHOD FOR MAKING LARGE SIZED INTRICATE FORGINGS WITH CONTROLLED CHEMICAL COMPOSITION नामक आविष्कार के लिए, पेटेंट अधिनियम, १९७० के उपबंधों के अनुसार आज तारीख 27th day of April 2009 से बीस वर्ष की अवधि के लिए पेटेंट अनुदत्त किया गया है।

It is hereby certified that a patent has been granted to the patentee for an invention entitled A METHOD FOR MAKING LARGE SIZED INTRICATE FORGINGS WITH CONTROLLED CHEMICAL COMPOSITION as disclosed in the above mentioned application for the term of 20 years from the 27th day of April 2009 in accordance with the provisions of the Patents Act,1970.

अनुदान की तारीख : 26/06/2020
Date of Grant :

पेटेंट नियंत्रक
Controller of Patent

टिप्पणी - इस पेटेंट के नवीकरण के लिए फीस, यदि इसे बनाए रखा जाना है, **27th day of April 2011**को और उसके पश्चात प्रत्येक वर्ष मे उसी दिन देय होगी।
Note. - The fees for renewal of this patent, if it is to be maintained will fall / has fallen due on **27th day of April 2011** and on the same day in every year thereafter.

Highly Qualified and Experienced team

Our management team comprises of highly qualified and experienced individuals working together to take company to next level of growth. Given the nature of our business, it requires application of high levels of technology proficiency at key stages of our process including design, engineering and manufacturing processes. Thus, we have built a strong metallurgical team of key employees having the ability to utilise the metallurgical knowledge.

30+ Years

Average years of experience possessed by the top management

A year of Multiple Achievements

₹ **81,323.08** lakh
Recorded highest ever sales

14.08%
YoY growth in revenue from operations

₹ **1,942.47** lakh
Recorded highest ever export turnover

₹ **1,37,200** lakh
Order book value as on April 1, 2021

Quarter wise Sales & PAT for FY 2020-21

₹ in lakh

	SALES	PAT/(LOSS)
Q1	11,349.62	(91.87)
Q2	16,377.05	3,256.60
Q3	19,008.76	6,002.04
Q4	34,587.65	7,462.38

Aligning our operations with Government's vision

The Government of India laid down the foundation of "Aatmanirbhar Bharat Abhiyaan" wherein, a list of 101 items for which there would be an embargo on the import beyond the timeline indicated against them was notified in the month of August, 2020. Further, Govt. of India has also notified the 'Second Positive Indigenisation List' consisting of 108 items in the month of May 2021 to further boost indigenisation, achieving self-reliance and promoting defence exports.

MIDHANI is well poised to play a pivotal role to facilitate self-reliance in strategic sectors as envisaged by Government of India.

'Aatmanirbhar Bharat Abhiyaan'

The Government's new initiative Atmanirbhar Bharat is aimed at making India self-reliant by working across five strategic pillars including:

- Economy - quantum jumps, not incremental changes;
- Infrastructure - one that represents modern India;
- Systems - which are driven by technology;
- Demography - vibrant demography of the largest democracy; and
- Demand - full utilisation of the power of demand & supply

1. Flag-off ceremony of indigenously manufactured impellers made of Nickel Superalloy.
2. First consignment of Ultra High Strength Steel being dispatched for mission 'Gaganyaan'.
3. First consignment of High Temperature alloy being dispatched for country's indigenous 'Kaveri Dry Engine Program'

Contribution of MIDHANI

We expect more opportunities in indigenous manufacture of products, sub-components & sub-assemblies in Defence & Energy sector which will enable us to grow our operations and contribute towards economic growth.

Chairman's Message

Dr. Sanjay Kumar Jha
Chairman & Managing Director

Dear Shareholders,

It gives me immense pleasure to welcome you all for the 47th Annual General Meeting of MIDHANI. As we reflect on the year passed, we are predominantly proud of achievements, resilience of team MIDHANI and the inherent strength of our technology as well as innovation. FY 2020-21 was the year when the vicious effect of COVID-19 pandemic and the challenges faced thereby on humanity affected us. On account of the COVID-19 pandemic, the world has faced unprecedented challenges. With loss of lives, livelihoods and stress on global supply chains, the economic crisis world over has significantly increased.

We all got a good amount of change during the course of FY 2020-21, whether it was working from home, virtual interactions, or staying indoors for days at a time, we had to adapt to something completely new. At MIDHANI, we managed to adapt challenges and in these challenging times, MIDHANI has recorded its highest ever Sales turnover of ₹ 81,323.08 Lakh. We continued to leverage our operational and technological capabilities to tide through difficulties. We are also keen to capitalise on emerging opportunities arising from the governments emphasis on 'Make in India' products. As an indigenous manufacturer, we are also poised to fulfil the country's vision of 'Aatmanirbhar Bharat'.

Performance highlights FY 2020-21:

For MIDHANI, FY 2020-21 has been a year of excellent performance and I am delighted to share with you our progress during the year. We recorded highest ever revenues of ₹ 81,323.08 lakh, despite the disruptions caused by the pandemic, registering y-o-y growth of 14.08 % in comparison to ₹ 71,287.57 lakh in the previous fiscal. For FY 2020-21, MIDHANI has achieved highest ever operating profit of ₹ 20,626.27 Lakh for FY 2020-21 vis-à-vis ₹ 16,564.99 Lakh for FY 2019-20, registering y-o-y growth of 24.52%, Profit Before Tax (PBT) at ₹ 22,609.39 Lakh vis-à-vis PBT of ₹20,208.62 Lakh for FY 2019-20, registering y-o-y growth of 11.87% and the highest ever Profit After Tax (PAT) of ₹ 16,629.15 Lakh vis-à-vis ₹ 15,973.38 Lakh achieved for FY 2019-20, registering y-o-y growth of 4.11%. Highest ever export turnover of ₹ 1,942.47 Lakh was also recorded during the FY 2020-21 vis-à-vis ₹ 1,042.04 Lakh for FY 2019-20, registering y-o-y growth of 86.41%.

In the beginning of the FY 2020-21, our Business operations were shut down for 45 days due to COVID-19 pandemic induced lockdown. The ideology of 'Extraordinary time's call for extraordinary efforts' adopted by our workforce during challenging times helped us pave out a recoup plan, and within 15 days of reopening, our plant operations were brought in order. This indomitable spirit of our workforce is what helped us surmount the odds and record our best ever performance. Post lockdown, process optimization, managing capital expenditure, working capital requirements were key factors that were addressed by Management. These efforts, cumulatively have shaped FY 2020-21 as a best ever in terms of Sales, Operating Profit, Profit Before Tax (PBT) & Profit After Tax (PAT).

When compared to the previous fiscal year, the Value of Production (VoP) has decreased by 20.4% to ₹ 77,164.22 Lakh in FY21. Owing to our operational efficiency, our EBITDA margins also recorded an impressive 24.06 % y-o-y growth. EPS for the year stood at ₹ 8.88 and our Company recommended/ declared Dividend of ₹ 2.78 per equity share @27.80% for FY 2020-21.

As at April 1, 2021 MIDHANI had an order book of ₹ 1,37,200 Lakh, out of which Company booked order worth ₹ 50,480 Lakh during FY 2020-21.

Leveraging our core strength:

During the year, MIDHANI has dispatched its first consignment of high temperature alloy for the 'Kaveri Dry Engine Program', for powering Unmanned Combat Aerial Vehicle (UCAV) which shall be used for various Class I and Class II components of the engine. We have also developed spider casting, fulfilling stringent Aerospace requirements for 'Semi Cryo-Engine of Satellite Launch Vehicle'. Our indigenously manufactured impellers, made of Nickel based Super Alloy were delivered to customers and we have also delivered first ever consignment of Superfer 800 (Alloy 800) SG Tubes to BHEL, Trichy, for its application in power reactors.

The strength of our operation stems from innovation in our production processes, combined with increased efficiency and resource utilisation. We aim to leverage our design, engineering and manufacturing capabilities to widen our offerings in defence and aerospace markets. Moreover, we are making concerted efforts to enter new markets of oil and gas, mining, power, railways, chemicals and fertilizers. With continued focus on growth and modernisation, improvement of R&D capacities and the strength of our human resources, we strive to fulfil our ambitious plans. To successfully accomplish our goals, we have collaborated with Indian and multinational research institutions to gain access to the necessary know-how for producing critically advanced technology products.

Contributing to the vision of 'Aatmanirbhar Bharat':

Government of India laid down the foundation of "Aatmanirbhar

Chairman's Message

Bharat" on the premise of "आपदा को अवसर" wherein list of 101 items for embargo on the imports were notified in August, 2020. Subsequently, a 'Second Positive Indigenisation List' consisting of 108 items were also notified in May, 2021 to further boost indigenisation with active participation of public and private sector for fulfilling the twin objectives of achieving self-reliance and promoting defence exports. These initiatives by Govt. of India will nourish India's overall Defence manufacturing ecosystem.

MIDHANI has taken number of initiatives in diversification and modernization of business and operation activities. During FY 2020-21, MIDHANI has spent ₹ 15,825.79 Lakh towards capital expenditure. With key projects like 'Wide Plate Mill' and "Springs" to be commissioned soon along with the facility at Rohtak, Haryana dedicated for armour solutions, MIDHANI is well poised to play a pivotal role to facilitate self-reliance in Defence as envisaged by Govt. of India.

Innovation, Research & Development (R&D)

The product requirements of our customers changes and evolves regularly, and we invest substantial amounts in research and development efforts to pursue advancements in a wide range of technologies and products. At present, there are hundreds of grades that MIDHANI manufactures, and each grade has unique specification which makes R&D as an inevitable part of our process and procedures. As a testament to our efforts in R&D, we were granted two (2) patents during the year.

Our emphasis on research and development enables us to adopt advanced technologies that aid the production of superior quality alloys and other products. It also allows us to achieve cost efficiencies and expand the scope of our operations across sectors. During the year under review, we have invested around ₹ 574.31 Lakh for R&D.

Sustainability & creating value

During FY 2020-21, as the society was reeling against pandemic, it was important for our Company to reach out to the society through various initiatives including health, sanitation, education, skill development etc. We consider it our responsibility to serve the communities in which we operate and create value for all our stakeholders. During FY21, the company undertook various CSR initiatives under health, sanitation, education, sports and skill development, spending around ₹ 350.92 Lakhs for various activities.

During the COVID-19 outbreak, MIDHANI has set up shelter and beds for COVID+ patients and distributed ration kits to families and people in need. For treatment of COVID affected patient our Company has provided immediate medical relief and also provided an emergency helpline no. which were helpful to address emergencies. A state of art Primary Health Care Centre is also being set up to cater to the medical needs of public living in and around MIDHANI.

To minimise the impact of our operations on the environment and atmosphere, we strive to reduce our emission and discharge effectively. Due to our compliance with EHS norms, MIDHANI was awarded ISO 14000:2015 (EMS) Certification for Environmental management and ISO 45001:2018 (OHSMS) Certification for Occupational Health and Safety Assessment during the year. At sustainability front, MIDHANI has devised ways to conserve energy, During FY 2020-21 MIDHANI has been certified with ISO 14001:2015 (Environmental Management System).

Building a people-centric organisation:

At MIDHANI, we attribute our success to our employees; the value added per employee was highest during FY 2020-21. Therefore, we diligently focus on creating conducive working environment for our people, offering them opportunities for personal as well as professional growth. We organised skill development programmes and trainings to improve their careers, enhance their expertise and boost future-ready managerial talents.

Our constant emphasis on the health and well-being of our people enabled us to formulate a COVID response mechanism, immediately after outbreak of the COVID-19 pandemic. Post COVID-19 outbreak, MIDHANI took pre-emptive initiatives to 'break the chain of transmission' such as, distribution of face masks, face shields, extensive sanitization, thermal screening, social distancing and distribution of immunity booster kits. MIDHANI also facilitated COVID-19 testing by tying up with laboratories, no deduction were made in salaries of employees during lockdown period; including salaries to casual employees.

At the onset of pandemic, Human Resource department of MIDHANI, was in constant touch with employees who were impacted with COVID. MIDHANI has also made ex-gratia payments, tweaked employee welfare scheme to minimise the financial distress laid on families/ individuals due to COVID-19. Even with our best efforts and all the preventive measures, we lost four of our employees to the pandemic. We at MIDHANI, stand in solidarity with their families and will forever be grateful to their contributions and efforts.

Corporate Governance:

To ensure transparency and accountability across organisational processes, the Company abides by ethical policies that ensure good governance. Our Board and Senior Management confirm adherence to the code of conduct on annual basis and we continuously evaluate and upgrade policies and procedures to keep the organisational integrity intact and uphold values. MIDHANI continues to follow in both letter and spirit, the guidelines issued by the Department of Public Enterprises from time to time. We are happy to report that, your Company scored 100% as per the revised grading norms for CPSEs, conducted by the DPE on compliance of guidelines on Corporate Governance issued by them.

Further, we have been bestowed with various awards during the FY 2020-21 including Excellence in Industrial Productivity, Excellence in Research & Development, at FTCCI Excellence Awards, Certification of Appreciation presented from DRDO, SKOCH Order of Merit and SKOCH Gold Award for "Modernization and Diversification of Product & Process at MIDHANI" under "Corporate Excellence", and Certificate of Commitment for '4-star rating' in EHS practice, to name a few.

Conclusion:

Moving forward, we remain optimistic about our future endeavours. Our continuous success in indigenisation of sub-assemblies for Aero, Naval and Energy applications coupled with Government initiatives in this regard has opened new avenues of success in the Indian defence sector. Resilience and innovation will continue to remain constants in MIDHANI's future growth plans and I hope that MIDHANI scale greater heights in the coming years.

On behalf of the Board, I want to express my deepest gratitude to everyone who engaged themselves in the battle against COVID-19. I would also like to thank all our valued shareholders for your constant support and belief in our abilities. I am grateful to my colleagues on the Board for their valuable guidance, and acknowledge the immense contribution and dedication of our employees towards the organisation. I also acknowledge the enormous amount of goodwill and support that we have received from our customers, the Department of Defence Production and all Government agencies particularly the Government at the Centre, State and local bodies who have provided valuable guidance and support in Company's Management.

Thanking You,

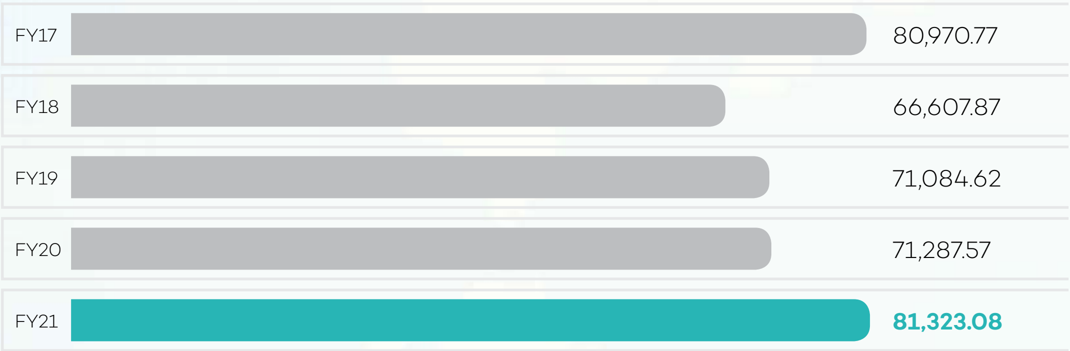
Jai Hind!

Dr. Sanjay Kumar Jha
Chairman & Managing Director

Financial Highlights

Revenue from operations

(₹ in lakh)

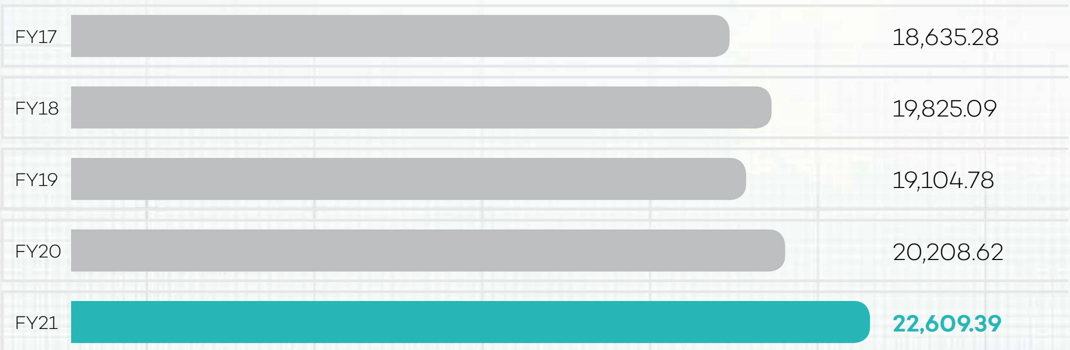


Cash Profit

(₹ in lakh)

Profit Before Tax

(₹ in lakh)

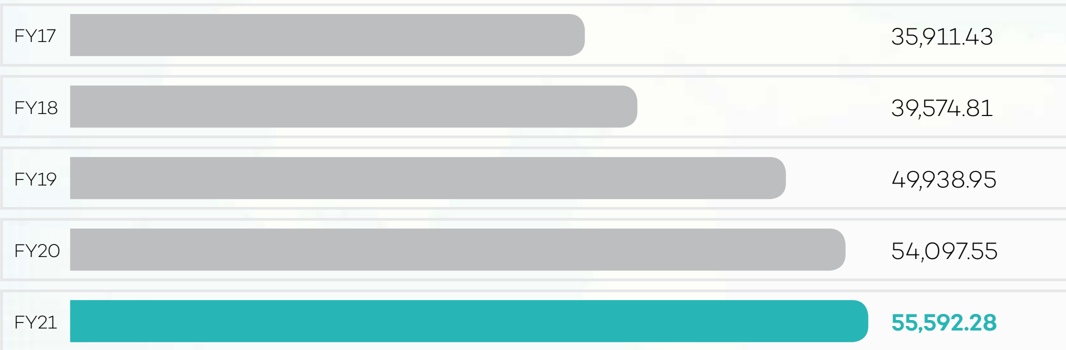


Profit After Tax

(₹ in lakh)

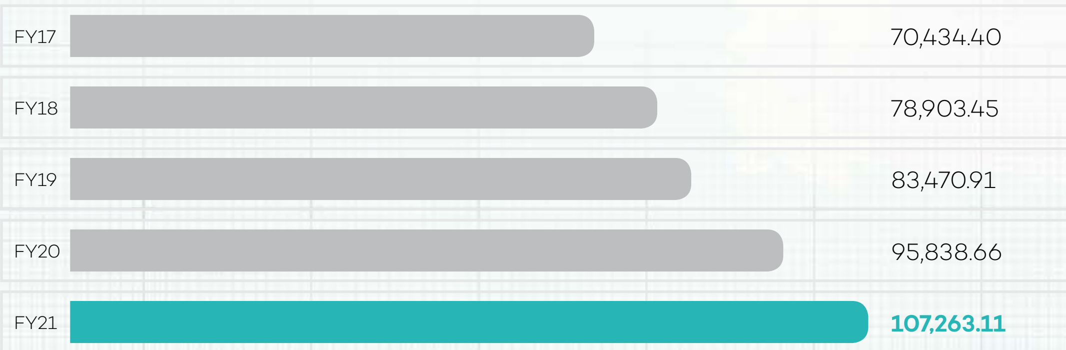
Gross Block

(₹ in lakh)



Net worth

(₹ in lakh)



Research and Development

Over the years, we have built strong research and development capability which has enabled us to emerge as the most preferred partner for our customers in domestic and export market alike. Owing to our robust in-house R&D capabilities, we have indigenized various critical technologies, alloys and products.

This has enabled us to decrease our dependence on imports of various critical materials and indigenization of critical technologies to render support to several programmes of national importance. To keep up with the changing requirement of our customers, we focus year-on-year in R&D to further widen our offerings and technologies.

Our Focus areas

- Improvement of product quality
- Processes innovation
- New product development that incorporate advanced technologies
- Cost efficiency

New products and technologies introduced in FY21

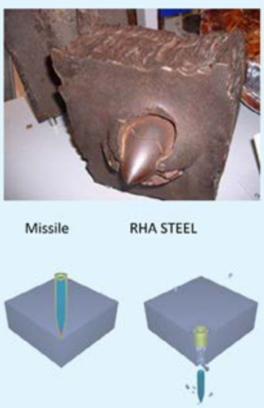
- Development of Rolled Homogenous Armor (RHA) steel for Missile Penetration Test
- Manufacturing of large size forged slab made of Titanium alloy for GAGANYAAN mission
- Manufacturing of Titanium tubes through forge route
- Development of Superfer 52, a high strength precision alloy for spring application
- Development of Cobalt free high strength steel for export order
- Development and supply of wide slab made of Titanium alloy for Advanced Medium Combat Aircraft (AMCA) project
- Development of Fine grained bar feed stock made of Super alloy for Aero engine disc Application
- Development of Blade blank for Adour Engine
- Development and certification of Aero grade Bearing Steel
- Pack Rolling of Titanium sheet
- Process optimization of special alloys using AI

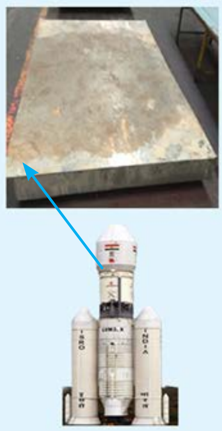
15

Members in our R&D team comprising of officers who have in-depth knowledge of the design and engineering of special metals and alloys

₹ **574.31** lakh

Invested in R&D in FY 21





Human Resource

At MIDHANI, we endeavour to employ, retain and develop the right people. We constantly work towards creating the best possible working environment that is inclusive, open, diverse, provides equal opportunities for all categories of employees.

We also invest towards various training and development programs to upskill our employees as per changing industry dynamics.

Ensuring the health, well-being and safety of our employees has always been a priority for us. The outbreak of Covid-19 pandemic forced us to revisit our health and safety policies and strengthen them further. We distributed Immunity Booster Kits which contained five types of supplementary medicines to all our employees and casual workers as a onetime gesture. We also made accomodation arrangement for our COVID-19 +ve employees who had difficulty in staying in their houses during quarantine period and had stable symptoms.

Item	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
No.of employees	1052	976	900	836	768	752	850	791	786	761
Productivity per employee (₹ Lakhs)	47.15	54.58	63.30	76.56	88.35	92.51	82.08	103.01	123.42	101.40

No employee was laid off during the pandemic

During the largest humanitarian crisis of modern times, corporate India has gone out of its way to offer remarkable care and support to its people and MIDHANI was no different. During the COVID-19 induced lockdown, regular employees and contract casuals engaged under manpower contracts as well as job contracts were given full wages to avoid the hardship.

761

Employees in FY21

49.3 years

Average age of employees

1362

Man days of training could be completed in FY21 in-spite of COVID-19 limiting the number of Physical / Class room training programs as compared to [4703] man days in FY20.

₹ **101.40** lakh

Productivity per employee

Community Development

We believe that reaching out to people and being there is the surest way to empower them. With this ethos, we have implemented our efforts through our CSR arm. Launched by the Hon'ble PM, the 'Transformation of Aspirational Districts' programme, MIDHANI has adopted Kothagudem in Telangana as the aspirational District.

Distribution of dual desk at Govt. School, situated at Cherla Mandal, Kothagudem, District.

₹ **350.92** Lakh

Total amount spent on CSR activities

Construction of toilet at ZPSS Narsapuram, Kothagudem District

Promoting HealthCare & Sanitation

We seek to provide curative and preventive healthcare to the under-served and unserved, among various local communities. A primary Health Care Centre to cater to the medical needs of public in and around MIDHANI is being set up with an estimated expenditure of ₹ 167.83 Lakh.

6000+

Lives impacted

Education

We focus on improving quality of education for children across levels. We are working with government schools to strengthen existing infrastructure, build teaching capacity and provide supplies to create a positive learning environment. We provided digital classrooms to school and have also installed Digital Display Panels. We also sponsor free education to SC/ ST children in BPDAV school.

25

Schools impacted

Nutrition

Nutrition affects the overall development of not only an individual, but also an entire nation. To lead an active and healthy lifestyle, a well-balanced diet combined with regular physical exercise is crucial. In order to improve societal development, we have provided food kits through Akshaya Patra for migrant workers and sponsored four wheeler vehicles for carrying food & food kits to school children.

Foundation Stone being laid for Public Primary Health Care Center.

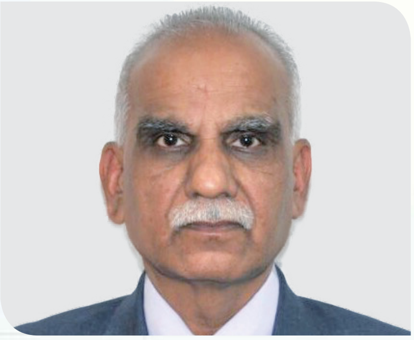
Digital Display Panels provided by MIDHANI to BPDAV School.

Board of Directors

Dr. Sanjay Kumar Jha
Chairman & Managing Director
(from May 1, 2020)

Dr. Dinesh Kumar Likhi
Chairman & Managing Director
(Till April 30, 2020)

Shri Gowri Sankara Rao Naramsetti
Director (Finance) (from October 27, 2020) and CFO (From November 11, 2020)



Shri Surendra Sinh
Independent Director
(Till October 7, 2020)

Shri Sanjay Jaju
Additional Secretary (DP)
Govt. Nominee Director
(Till November 24, 2020)

Shri Anurag Bajpai
Joint Secretary (P&C)
Govt. Nominee Director
(w.e.f. November 24, 2020)

Chief Vigilance Officer

Dr. Upender Vennam

Key Managerial Personnel

Smt. Kalluri Madhubala
AGM (Finance & Accounts),
CFO till October 27, 2020

Shri Paul Antony
Company Secretary

Senior Management

Shri A. Ramakrishna Rao
GM (HR)

Shri D. Gopikrishna
GM (Production & Marketing)

Shri K. Sivasubramanian
GM (R&D) (till June 30, 2020)

Shri Debasish Dutta
GM (Projects)

Shri Atchutaram Dasu
GM (Commercial)

Shri Hanumantha Rao
GM (Quality & Services)
(till July 31, 2020)

Shri Rama Ramesh Babu
GM (Melts)

Shri Sasidharan Palasseri
GM (Engineering Services)

Shri Supartha Sen
GM (Vigilance)

Ten Year Information

₹ in Lakh (unless stated otherwise)

Item	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Sales (Tonnage)	3482	4687	4111	4732	5205	6150	4477	3685	3390	3556.23
Sales (Value)	50,901.27	55,859.14	56,270.78	65,570.07	76,144.87	80,970.77	66,607.87	71,084.62	71,287.57	81,323.08
Value of Production (Excl.ED)	48,328.83	53,267.12	56,417.57	64,004.42	67,853.65	69,564.01	69,767.72	81,483.22	97,010.91	77,164.22
Cash Profit/(Loss)	10,329.04	12,293.72	12,747.26	14,830.16	17,591.00	20,401.69	21,789.22	21,424.26	22,820.06	25,308.92
Profit Before Tax (PBT)	9,850.28	11,777.66	12,143.54	13,851.49	16,184.50	18635.28	19825.09	19104.78	20208.62	22,609.39
Net Profit/Loss (PAT)	6,845.49	8,251.83	8,246.29	10,212.80	11,937.02	12631.31	13126.18	13055.69	15973.38	16,629.15
Value Added (Excl. ED)	33,866.90	35,528.59	36,809.97	42,808.81	43,363.11	50,181.18	54,412.85	52,206.95	59,350.32	60,157.17
Value added per employee	32.19	36.40	40.90	51.21	56.46	66.73	64.02	66.00	75.51	78.84
Paid up Capital	18,334.00	18,734.00	18,734.00	18,734.00	18,734.00	18,734.00	18,734.00	18,734.00	18,734.00	18,734.00
Gross Block	18,703.81	19,975.07	24,698.30	38,670.17	27,704.22	35911.43	39574.81	49938.95	54097.55	55,592.28
Net Fixed asset	6,067.40	6,817.41	11,547.79	24,427.97	26,295.74	32737.74	34443.38	42494.69	44074.63	42,891.57
Net current asset	39,373.51	55,673.71	44,471.94	35,144.93	47,879.87	47862.25	44052.85	63221.24	81738.45	80,847.94
Capital employed	45,440.91	62,491.12	56,019.73	59,572.90	74,175.61	80,599.99	78,496.23	1,05,715.93	1,25,813.08	1,23,739.51
Equity	18,734.00	18,734.00	18,734.00	18,734.00	18,734.00	18,734.00	18,734.00	18,734.00	18,734.00	18,734.00
Reserves	18,045.30	21,942.51	25,779.38	35,271.83	43,233.03	51,700.40	60,169.45	64,736.91	77,104.66	88,529.11
Net Worth	36,779.30	40,676.51	44,513.38	54,005.83	61,967.03	70,434.40	78,903.45	83,470.91	95,838.66	1,07,263.11
Contribution to Exchequer	10,347.29	12,136.00	11,181.00	10,617.67	14,316.38	16,641.00	14,492.26	16,272.22	17,012.99	18,953.18

Corporate Information

Registered Office

Hyderbad

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

Commercial/ Regional office

New Delhi

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

Rohtak, Haryana

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

Kolkata

BE-70, Ground floor, Sector – 1, Salt Lake,
Kolkata - 700064
Tel No. 033-2334 4832
Fax : 033-2334 8411

Statutory Auditors

Sarath & Associates, Chartered Accountants

Cost Auditor

S.S. Zanwar & Associates, Cost Accountants

Secretarial Auditors

R&A Associates, Company Secretaries

Bankers

HDFC Bank Limited

State Bank of India

Union Bank (formerly Andhra Bank)

Registrar & Transfer Agent

Alankit Assignments Limited,
4E/2 Jhandewalan Extension, New Delhi -110 055
Tel: 011-4254 1234 / 2354 1234; Fax: 011- 4254 1201
Email: rta@alankit.com

Investor Relations

Shri Paul Antony
Company Secretary & Compliance Officer

P.O Kanchanbagh, Hyderabad- 500058
Tel- 040-2418 4515
Fax: 040-2956 8502
Email: company.secretary@midhani-india.in

BOARDS' REPORT

The Members,
Mishra Dhatu Nigam Limited

Dear Members,

Your Directors are pleased to present their 47th Annual Board's Report, on the performance and achievement of your Company, together with the Audited Financial Statements for the financial year ended on March 31, 2021.

1. SIGNIFICANT ACHIEVEMENTS:

1.1 Achieved highest ever Sales of ₹ 81,323.08 Lakh for FY 2020-21 registering a y-o-y growth of 14.08% vis-à-vis Sales of ₹ 71,287.57 Lakh achieved for FY 2019-20.

1.2 Achieved highest ever Operating Profit of ₹ 20,626.27 Lakh for the FY 2020-21 registering y-o-y growth of 24.52% vis-à-vis Operating Profit of ₹ 16,564.99 Lakh achieved for FY 2019-20

1.3 Achieved highest ever Profit Before Tax (PBT) for FY 2020-21 at ₹ 22,609.39 Lakh vis-à-vis PBT of ₹ 20,208.62 Lakh for FY 2019-20, registering y-o-y growth of 11.88% and the highest ever Profit After Tax (PAT) of ₹ 16,629.15 Lakh for the FY 2020-21, vis-a-vis ₹ 15,973.38 Lakh achieved for FY 2019-20, registering Y-o-Y growth of 4.11%.

1.4 Highest ever export turnover of ₹ 1,942.47 Lakh was recorded during the FY 2020-21 vis-à-vis ₹ 1,042.04 Lakh for FY 2019-20, registering y-o-y growth of 86.41%.

2. HIGHLIGHTS OF OPERATIONS:

2.1 Supplied first consignment of Superfer 800 (Alloy 800) Steam Generator Tubes for 700 MWe Pressurized Heavy-Water Reactor (PHWR) for its application in Energy Sector on February 15, 2021. This alloy is a solid solution strengthening alloy with Nickel, Chromium and Iron as alloying elements and has high strength and oxygen resistance in high temperature applications.

2.2 For the first time in our country, under 'Atma Nirbhar Bharat' initiative, indigenously manufactured impellers made of Nickel Super Alloy "Superni 600" was delivered for application in Energy sector on March 16, 2021. This is a Nickel, Chromium solid solution strengthening alloy with high corrosion resistance.

2.3 Dispatched first consignment of high temperature alloy on March 20, 2021 with 75% indigenous content for the country's indigenous 'Kaveri Dry Engine Program' powering the Unmanned Combat Aerial Vehicle (UCAV). The consignment contained Nickel base Superalloy and Titanium alloy forged bars thoroughly qualified in airworthy certification requirements and are also used for various Class I and Class II components of the engine.

2.4 Developed and supplied Rolled Homogenous Armor (RHA) steel for penetration test of missiles. RHA steel, which hitherto was being imported was indigenously developed under 'Atmanirbhar Bharat Programme'. RHA steel is used for general components which require high strength, toughness and good hardenability; it is especially suitable for heavy duty parts in the Defence Sector for testing the penetration depth of missiles.

3. FINANCIAL HIGHLIGHTS:

3.1 Your Company achieved a Sales Turnover of ₹ 81,323.08 Lakh, Profit Before Tax (PBT) of ₹ 22,609.39 Lakh, Profit After Tax (PAT) of ₹ 16,629.15 Lakh and Operating Profit of ₹ 20,626.27 Lakh for the FY 2020-21. The operations of the Company was impacted by the COVID-19 induced lockdown as the Company was not operational for 45 days in the 1st Quarter of FY 2020-21, however with collective efforts of all concerned, Company has achieved best ever results in terms Revenue and Profits during the financial year

3.2 Your Company achieved the following results during FY 2020-21:

(Figures in ₹ Lakh)

Particulars	FY 2020-21	FY 2019-20
Revenue from Operations	81,323.08	71,287.57
Other Income	1,983.12	3,643.63
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	26,508.45	23,411.66
Less: Depreciation/ Amortization/ Impairment	2,699.53	2,611.44
Profit /loss before Finance Costs, Exceptional items and Tax Expense	23,808.92	20,800.22
Less: Finance Costs	1,199.53	591.60
Profit /(loss) before Exceptional items and Tax Expense	22,609.39	20,208.62
Add/(less): Exceptional items	-	-
Profit /(loss) before Tax Expense	22,609.39	20,208.62
Less: Tax Expense (Current & Deferred	5,980.24	4,235.24
Profit /(loss)for the year (1)	16,629.15	15,973.38
Total Comprehensive Income/ (loss) (2)	(34.09)	(195.33)
Total (1+2)	**16595.06**	**15,778.05**
Ratios (Percentages)		
Profit Before Tax to Capital employed	18.27	16.06

Profit Before Tax to Revenue from operations	27.80	28.35
Profit After Tax to Net Worth	15.50	16.67
Profit After Tax to Paid-up Share Capital	88.76	85.26
Sales to Capital Employed	65.72	56.66
Sales to Gross Block	146.28	131.78
Per Capita Sales (₹ in Lakh)	106.58	90.70

4. DIVIDEND POLICY:

4.1 The Board of Directors of your Company are pleased to recommend a final dividend of ₹ 1.58 per equity share of the face value of ₹ 10 each i.e. @ 15.80%, for the financial year ended on March 31, 2021 and seek your approval for the same. The proposed final dividend, will be payable to those shareholders whose names appear in the Register of Members as on the Book Closure / Record Date.

4.2 Further, during the year under review, the Board of Directors of the Company in their Meeting held on March 15, 2021 has declared and paid interim Dividend of ₹ 1.20/- per equity share of the face value of ₹ 10/- each i.e. @ 12%.

4.3 Cumulatively, the Board of Directors of your Company has declared / recommended a total Dividend of ₹ 2.78 per equity shares @ 27.80% for the year ended March 31, 2021. This works out to be 31.32% of Profit After Tax (PAT) which is the highest dividend payout by the Company.

4.4 Your Company, being a Central Public Sector Enterprise (CPSE), follows the Guidelines on Capital Restructuring issued by Department of Investment and Public Asset Management (DIPAM) vide F. No. 5/2/2016-Policy dated May 27, 2016. As per the Guidelines, every CPSE would pay a minimum annual Dividend of 30% of PAT or 5% of the Net-worth whichever is higher subject to the maximum Dividend permitted under the extant legal provisions. The Company's dividend distribution policy is enclosed as **"Annexure - I"** and also available on the Company's website viz. https://midhani-india.in/

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

(₹ in Lakh unless otherwise stated)

S.No	Particulars	FY 2020-21	FY 2019-20
1.	Dividend	5,208.05	4,795.90
2.	Profit After Tax (PAT)	16,629.15	15,973.38
3.	Net Worth*	10,4270.29	92,849.19
4.	Dividend/PAT (%)	31.32	30.02
5.	PAT/Net Worth (%)	15.95	17.20
6.	Dividend/Net Worth (%)	5	5.17

*Net worth is after considering Dividend for respective periods.

5. TRANSFER TO GENERAL RESERVE:

Your Company has transferred ₹ 9,000 lakh to General Reserve for the FY 2020-21.

6. PERFORMANCE AGAINST MoU:

For the FY 2020-21, MIDHANI's MoU performance is expected to qualify for an overall "VERY GOOD" rating, however, the same is subject to evaluation and confirmation by Department of Public Enterprises (DPE).

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

7.1 The aim of modernization, expansion and up-gradation program of the Company is to increase the competitiveness of our products for increased sales and product growth. The up-gradation and modernization programs of the Company over the last decade contributed towards setting up of additional facilities and increase in production tonnage capacity and product diversity.

7.2 The strategy to sustain competitiveness through capacity enhancement and ramping up of new facilities has helped in surpassing previous records in physical performance during the financial year under report. Thus, the Company has successfully positioned itself to serve existing and new customers in domestic markets as well as entered into new business areas of strategic and National importance.

7.3 Projects related to Modernization, Expansion and Up-gradation of MIDHANI's production activities during the year ended on March 31, 2021 are as under:

- **New Re-heating Furnaces for Forging application:**

  - **30T Bogie Hearth Furnace:** Replacement of old reheating furnace of capacity 30T for heating of billets is being setup in Forge shop. All the supplies and erection works has been completed with commissioning activities under progress.

  - **20T Fixed Hearth Furnace:** A new fixed hearth furnace of capacity 20T is being set up in Forge shop for re-heating of smaller ingots. Supply completed. Erection is under progress.

  - **20T and 12T Fixed Hearth Furnace:** A replacement of old fixed hearth reheating furnace by new furnaces of capacity 20T and 12T for Re-heating of smaller size billets is being setup in Forge shop. Major supply has been completed with the commissioning planned by 3rd Quarter of FY 2021-22.

- **New Vacuum Induction Melting Furnace:** A Vacuum Induction Melting Furnace is being added in Melt area, for capacity enhancement for accommodating future demands of special steels and super alloys. Supply of all equipment along with civil and structural works has been completed; the auxiliary and electrical facilities are under testing. Erection of major equipment has commenced

7.4 The status of other ongoing major project is as under:

- **Wide Plate Mill (WPM):** To ensure self-reliance in production of extra wide plates / sheets of high strength steel and other strategic materials plates, armour plates etc., a Wide Plate Rolling facility is being setup. The project is in advanced stage of erection and commissioning. All construction related activities are completed and utilities and power supply is made available at take over points. Material handling equipment's, Firefighting Systems etc. are in operation and the commissioning activities have started in finishing line equipment.

- **Tempering furnace for WPM:** For processing of Armouring plates and other special plates, tempering facility is being established; supply of all equipment and erection has been completed.

7.5 Development of Armour unit at Rohtak: Considering increase in global market demand for body armour, vehicle armouring, Bullet Proof Morcha, Bullet Resistant Jackets etc, and to cater the needs of domestic market, a new unit of MIDHANI is being set up at Rohtak, Haryana. Major construction activities for Phase-I has been completed and Phase-II works are under progress. Equipment like Fibre cutting machine, Water jet cutting machine, Hydraulic ballistic press, CNT spray machine, etc. are under final stages of installation and commissioning.

7.6 Joint Venture Company - Utkarsha Aluminum Dhatu Nigam Limited:

7.6.1. Utkarsha Aluminum Dhatu Nigam Limited (JV Company) incorporated on August 21, 2019 is a Joint Venture Company between MIDHANI and National Aluminium Co. Ltd. (NALCO). The JV Company is set up for establishing a manufacturing plant at Nellore, Andhra Pradesh under "Make in India" approach of the Government of India for manufacturing of high end Aluminium Alloy products to meet the market demand in sectors such as Defence, Space and Energy apart from meeting the expanding demand of the Aviation and Transport industries.

7.6.2. JV Company has been allotted around 110 acre of land in Andhra Pradesh and is yet to commence the commercial operation, obtaining environmental and other statutory clearances for the project are also in progress. JV Company requires an estimated capital expenditure of ₹ 4,500 Cr. MIDHANI and NALCO have subscribed 2 Cr. equity shares of ₹ 10/- each of JV Company (by way of initial share capital and by way of rights issue).

7.6.3. The statement containing salient features of the financial statement of JV Company is attached with Financial Statements in form AOC-1.

8. LABOUR PRODUCTIVITY:

The value added per employee during the year was ₹ 78.84 Lakh, compared to ₹ 75.51 Lakh in the previous year.

9. SALES AND OPERATIONAL EFFICIENCY:

Debt collection continued to be a focus area for the FY 2020-21. Trade receivable as "No. of Days Sales" has increased to 173 days as on March 31, 2021 as compared to 152 days as on March 31, 2020. High accumulation of Debtors is primarily on account of increased sales in the fourth quarter of FY2020-21 and the budgets getting exhausted at customers' end, which are primarily Government Departments / agencies.

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

10.1 MIDHANI has been handling challenging developmental tasks, taking a lead position in indigenization of critical technologies and products to render support to several programs of national importance. Indigenization, New Product Development, and Technology Development continues to be the primary focus for R&D department of MIDHANI. We have an in-house Research and Development team comprising of 15 officers who possess in-depth knowledge of the design and engineering of special metals and alloys.

10.2 The product requirements of our customers evolve regularly and we invest substantially in research and development efforts to pursue advancements in a wide range of technologies and products. Research and development team in our Company works towards improvement of product quality and processes innovation for meeting the expected demands at competitive costs.

10.3 A Technology Advisory Board comprising of eminent personalities of Metal Industry regularly meets to guide and review the R&D activities of MIDHANI. Investments in R&D connects Company's strategy and business plan, such as marketing and cost reduction along with creating new products and upgrading to old ones.

10.4 An expenditure of ₹ 574.31 Lakh has been incurred towards R&D expenses during FY 2020-21.

10.5 Some of the R&D Initiatives undertaken by our company during the year are as below:

- **New Product Developments:**

- **Development of Rolled Homogenous Armor (RHA) steel for Missile Penetration Test:** RHA steel was earlier imported is now indigenously developed under 'Atma Nirbhar Bharat' initiative. RHA steel is heat treatable steel with strengthening alloy elements used for general components requiring high strength, toughness and hardenability and is also suitable for testing the penetration depth of missiles. It is usually supplied with quenched and tempered condition with a typical tensile strength of 1100-1300 N/mm2.

- **Manufacturing of large size forged slab made of Titanium alloy for GAGANYAAN mission:** For the first time, MIDHANI manufactured the Titanium slab of 170mm thick X 1540mm width X 2050mm Length (~2.5T) through slab forging in three directions. The large size Titanium slabs are the largest ever manufactured in our country by meeting stringent UT requirements and mechanical properties.

- **Manufacturing of Titanium tubes through forge route:** At MIDHANI, the first ever Titanium forge tubes required for Naval application were indigenously manufactured in our country, the same was earlier being imported from Russia.

- **Development of Superfer 52 a high strength precision alloy for spring application:** MIDHANI has successfully indigenously developed and supplied 2mm cold rolled sheet as a feed stock for spring application in Naval. These alloys are wrought non-magnetic corrosion resistant Iron-Nickel base super alloys. They possess significantly high yield strength values due to the combination of solid solution strengthening element and precipitation hardening phases. This alloy is widely used in manufacturing of elastic sensitive elements like Belleville/ Disc springs with higher temperatures up to 400°C.

- **Development of Cobalt free high strength steel for export order:** Cobalt free high strength steel finds its applications in tooling industry for service temperatures upto 350°C. For the first time, MIDHANI has indigenously developed Cobalt free high strength steel on a product scale, with a combination of high strength and fracture toughness.

- **Development and supply of wide slab made of Titanium alloy for Advanced Medium Combat Aircraft (AMCA) project:** Development and indigenization of wide slab 120mmX1200mmX1300 mm made of Titanium alloy was taken up for fuselage of AMCA. For this product, forging has been evolved through multi-axial forging and intermediate solution treatment to obtain an ultrasonic quality of 1.2mmFBH and to fulfill fatigue life requirement. The slabs were heat treated, tested and machined to final product and has fulfilled all airworthiness certification requirements.

- **Development of Fine grained bar feed stock made of Super alloy for Aero engine disc application:** This project involved establishment of optimized process parameter to obtain freckle free 550dia ingot to be further forged to 250dia bar through newly designed forging process to achieve fine grained forged bar feedstock with 1.2mm Flat-Bottomed Hole (FBH) ultrasonic quality. This has been qualified for realization of forgings of rotating component i.e. aeronautical disc applications.

- **Development of Blade blank for Adour Engine:** This nickel base super alloy contains 9% precipitation strengthener and has very poor workability. To overcome this challenge, a manufacturing route was designed and established for development of this super alloy. Further, an optimal finish rolling and softening cycle improved the ultrasonic response of the material.

- **Development and certification of Aero grade Bearing Steel:** This grade was developed for bearing applications in gas turbine engines operating at service temperature upto 430°C. The steel was manufactured to achieve high degree cleanliness and control carbide distribution. Type certification was completed and type approval was granted by 'The Centre for Military Airworthiness & Certification (CEMILAC)'.

- **Manufacturing and Process Technology Development:**

- Process parameter optimization was undertaken to improve the UT response by introducing an additional heat treatment process to eliminate ordered microstructure which occurs at around 730°C of hot rolled bars.

- Process parameters for the new internal ring rolling mill were fine tuned to realise bigger size rings of up to 3m and was successfully despatched to the customer.

- Modification of process parameter to improve mechanical strength of spring steel which is a precipitation hardening martensitic stainless steel used in Aero and Defence applications. Introduction of microalloying as modification of process parameter has not only increased strength but also significantly enhanced ductility of the sheet products without affecting any other properties.

- Process improvement for Processing of SN625 Filler Wire, to identify the reason of weld porosities and its Weld Pad qualification. To avoid surface and sub-surface contaminations during the process of wire drawing, Lab scale studies were carried out and appropriate modifications were made to the wire drawing process. Wires thus produced met the quality requirements of the customer and were successfully supplied for use in Energy applications.

- Pack Rolling of Titanium sheet to produce thin sheets using existing hot rolling facilities without extensive surface contamination. For the first time MIDHANI has manufactured Titan 32B 3mm Sheet through Pack rolling.

- **Artificial Intelligence(AI)**

- A dedicated team has been constituted to develop roadmap for Artificial Intelligence (AI) in alloy development and process optimization. AI based neural network algorithms are effective tools in order to optimize parameters related to melting time for manufacturing special alloys through critical analysis of the data. Process optimization of special alloys using AI is promoted for use in strategic sectors with stringent quality standard w.r.t. chemistry and properties. Architecture based on neural network has been used for present investigation to successfully minimize the processing time during melting of these special alloys.

10.6 In line with MoU parameters for FY2020-21, our Company successfully developed and/or supplied within the targeted timelines the following product/grades:

- Development and commercialization of heavy section Titanium slab forging for space program:,
- Development and Supply of Titanium welding wire:,
- Development and Commercialization of 11-10PH forged seamless tubes for missile application:, and
- Development and Commercialization of MDN250 special steel rings for Human in Space program.

11. INTELLECTUAL PROPERTY:

11.1 In a market-driven economy, the continuous improvement in the products by means of improving quality and reducing cost is essential. New products were developed to capture the emerging demand of the market. Remarkable progress in R&D activities were achieved which are reflected in the form of expansion of Intellectual properties of the company.

11.2 Protecting the intellectual knowledge of an organization from infringement by the legal framework is essential. The products manufactured by MIDHANI are unique in nature and to prevent infringement, IPR fillings were encouraged.

11.3 During FY 2020-21, MIDHANI has filed 35 IPRs including Copyrights, Trademarks and Patents. Patents on development of new bullet proof jacket and for development of new class of alloys. Few patents applications are also in process.

11.4 During the year under report two (2) Patents have been granted to MIDHANI. The patent titled "A method for making large sized intricate forgings with controlled chemical composition" with Patent number 339572, and "An improved heat treatment method for obtaining 13-8 precipitation- hardening steel" with Patent number 342815 were granted.

11.5 To create awareness on IPR, trainings were conducted by R&D team in association with Training & Development department. These training sessions were conducted physically and through online mode. The IPR awareness drives for vendors were also conducted. The study material, recorded video links and other useful resources were shared with MIDHANI's registered vendors.

12. ENERGY CONSERVATION:

12.1 Energy conservation has often been referred to as the 'fifth fuel' and accordingly, due importance has been given to energy conservation measures at MIDHANI. Efforts in this direction have continued during the year under report.

12.2 The measures introduced to save energy during the year under report are as follows:

- Ensured reliable and effective functionalities of Utilities services and Power system (MRSS) as a part of continual improvement towards energy management system.
- Effective due diligence, addressing technology obsolescence and adopting Lean thinking tool-Kaizen for optimized equipment performance.
- Implementing best practices to encourage energy efficiency.

12.3 The summary of consumption of Electricity and LPG for the FY 2020-21 are as below:

- The summary of consumption of LPG for the FY 2020-21 :

Description	Unit	2020-21	2019-20
Annual consumption of LPG	MT	4,045.62	4,979.28
Specific consumption of LPG in Production	MT (LPG)/ MT (Prod.)	0.16	0.12

- The summary of consumption of Electricity for the FY 2020-21 :

Description	Unit	2020-21	2019-20
Annual consumption of Electricity	KWHr (in Crore)	3.88	5.45
Specific consumption of Electricity in Production	Kwh/T	1,272.29	1,340.09

13. MARKETING & BUSINESS DEVELOPMENT:

13.1 During the year under review, MIDHANI booked orders worth of ₹ 50,480 Lakh. The order book position as on April 1, 2021 stood at ₹ 1,37,200 Lakh. With the current order book and considering the future orders in pipeline, MIDHANI looks forward to good growth in the upcoming years. The sector wise order booked during FY 2020-21 is as under:

Sector	Total value of orders (₹ Lakh)
Defence	38,360
Space	6,170
Energy	1,480
Others	4,470
Total	**50,480**

13.2 **Sector-wise Performance:** The total orders executed during the year under review were to the tune of ₹ 81,323 Lakh and the sector wise sales executed are as below:

Sector	Total value of orders (₹ Lakh)
Defence	36,997
Space	33,623
Energy	6,073
Others	4,630
Total	**81,323**

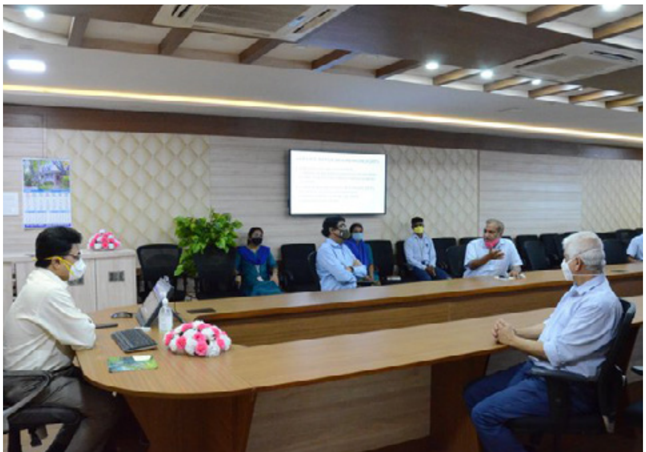
13.3 **Business Development:** Exploring new business opportunities for MIDHANI, Business Development team has identified areas where import substitution could be done. Prominent ones were:

- **Indian Railways:** During the year, steel plates were supplied to Railways. Orders for Linke Hofmann Busch (LHB) spring and Axle were booked in FY 2020-21 and will be executed during FY 2021-22.
- **Titanium Parts:** MIDHANI has successfully developed and supplied various Titanium parts for HMT, Kalamassery units during FY 2020-21 for application in Naval sector.

13.4 Exhibitions/Seminars for Promotion of Company Products/Brand: During the year under review MIDHANI participated in 'Aero India 2021' held at Bengaluru; from 3rd to 5th February, 2021. During the Aero Show, Letter of Intent (LoI) was signed with Lockheed Martin to explore indigenization of raw materials for Aerospace and Defence platforms and Memorandum of Understanding (MoU) was signed with HAL for development and production of composites raw materials.

14 INFORMATION TECHNOLOGY (IT):

14.1 MIDHANI is implementing measures to strengthen cyber security posture and to implement technical controls that provide an automated basis for implementing security and privacy controls. MIDHANI has formulated Cyber Security Policy and Cyber Security Framework in-line with guidelines provided by Department of Defence Production, Ministry of Defence, this helps protect corporate data through proven cyber security measures based on technology, personnel, and practices.



Dr Sanjay Kumar Jha, Chairman & Managing Director (MIDHANI) inaugurating e-office system in MIDHANI as part of "Atma Nirbhar Bharat" Abhiyan

14.2 Server virtualization and up-gradation of existing IT infrastructure at MIDHANI was completed during the year and the Security Information and Event Management (SIEM) was also implemented successfully. During the 'Atma Nirbhar Abhiyaan' celebration at MIDHANI between 7th to 14th Aug'20, e-Office Document Management System was inaugurated to facilitate a simplified, responsive and transparent working of all departments in MIDHANI. E-office system also facilitates quick disposal of files electronically resulting in reduced paperwork and significant time saving.

15. QUALITY MANAGEMENT ACTIVITIES:

15.1 MIDHANI and its Quality Management Systems have been approved by Directorate General of Aeronautical Quality Assurance (DGAQA) in accordance with AFQMS-2018 standard in the month of November-2020 with validity up to June 30, 2023.

15.2 Successfully achieved Certificate of accreditation from National Accredited Board for Testing Laboratories (NABL) in accordance with standard ISO/IEC 17025:2017 for Chemical & Mechanical fields in the month of December, 2020 and Non-Destructive testing field in the month of March, 2021.

15.3 Quality Month-2020 program was conducted on the theme "Creating Customer Value" which was organized by Quality Management Department in the month of November, 2020.

16. SUPPLY CHAIN MANAGEMENT PERFORMANCE:

16.1 Micro and Small Enterprises (MSEs) Vendor Meet: A webinar was organized with MSE vendors under Atma Nirbhar Bharat initiative to encourage and increase MSEs participation and they were appraised about the items reserved for MSEs and benefits extended to MSEs by MIDHANI.

16.2 Encouragement to Micro and Small Scale Industries: MIDHANI continues to encourage MSE units by regularly sourcing various goods and services from them. Percentage value of goods/services procured from MSE units stood at 27.50% of total domestic value procurement during FY 2020-21. All manpower contracts have been placed exclusively on MSE registered vendors to encourage MSEs.

16.3 Integrity Pact (IP): To ensure transparency and integrity of all the contracts, MIDHANI signs "Integrity Pact" with respective bidders in all procurement indents of high value contracts. Presently, Shri Anand Deep, IRS (Retd.) and Shri P. Mallikarjuna Rao, IFS (Retd.) are holding the position of Independent External Monitors (IEMs) of MIDHANI. About 90% of the total value of Contracts / Purchase Orders was covered under IP during FY 2020-21.

16.4 E-Procurement: In order to bring higher transparency in procurement, MIDHANI has maximized procurement through e-procurement process. During FY 2020-21, about 96% of total procurement other than exempted category were done through e-procurement mode.

17. RISK MANAGEMENT:

MIDHANI has a Board approved Risk Management Policy and the Risks associated with various processes in MIDHANI were discussed in Board Meetings, the Internal Production Review Meetings and Corporate Management Committee Meetings, from time to time. A Risk Management Committee in terms of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015 (SEBI Listing Regulations) was constituted. The identification of the risk elements faced by the Company is listed out in Management Discussion and Analysis, which forms part of this Annual Report.

18. HUMAN RESOURCE DEVELOPMENT:

18.1 Human Resource has been recognized as one of the important asset of our organization and a major differentiator in the face of competition from world over. MIDHANI's operations were badly disrupted due lockdown on account of COVID-19 pandemic during the first quarter of FY2020-21. Hard work and resilience of employees helped MIDHANI resume full scale operations within 15-20 days post lockdown.

18.2 All COVID-19 related guidelines and protocols were and are being followed; Company is taking all possible measures to curb the spread of virus and to protect its employees, their dependants and surroundings. Initiatives *viz* distribution of face masks and face shields, sanitization, social distancing, thermal screening, guidelines and SOPs w.r.t safe workplace, contact tracing, workplace management, administrative monitoring etc. were undertaken by MIDHANI in the initial phase. Guidelines for resumption of work on detecting COVID-19 +ve cases was also issued.

18.3 Aligning Talent Management initiatives with Technology is extremely important for rapid growth of the Company. Keeping in view the current trends, several HR Policies have been updated, modified and introduced. During the year under review, Conduct, Discipline & Appeal (CDA) Rules and Medical Attendance Rules were amended and Third Party Leased Accommodation Policy was introduced at MIDHANI. One of the major challenge before the Company is continuous up-gradation 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.

18.4 47th Foundation Day was celebrated at MIDHANI on November 20, 2020

18.5 **Manpower Position:** The manpower strength of MIDHANI as on March 31, 2021 stands at 470 Non-executives, 41 Non-Unionized Supervisors and 250 Executives compared to 470 Non-executives, 54 Non-Unionized Supervisors and 262 Executives as on March 31, 2020.

18.6 The total manpower strength under Permanent Category of your Company as on 31st March 2021 is as under:

Particulars	Non-Executives	Non-Unionized Supervisors	Executives	Total
Male	421	41	222	684
Female	49	0	28	78
Total	**470**	**41**	**250**	**761**

Note: Excluding Directors

Statement showing the representation of SC/ST/OBC/PH and their recruitment etc., are placed at Annexure: II

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

SC	ST	OBC	Others	Total
87	45	206	132	470

18.7 **Employee Welfare Initiatives:** The various employee welfare initiative taken during the FY 2020-21 are as below:

- **Best Contract Casual Employee Awards:** With a view to identify and reward the performers, best contract casual employee awards are given on the occasion of Republic Day. Accordingly on January 26, 2021, 5 contract casual employees were awarded.

- **Welfare measures on account of COVID-19:**

• Post the COVID-19 outburst, MIDHANI has laid a lot of emphasis on employee health and safety. New tie-ups with hospitals were done for COVID testing and treatment, medical policies were also amended.

• During the said lockdown period, regular employees and contract casuals engaged under manpower contracts as well as job contracts were given full wages to avoid the hardship.

• Immunity booster kits, face masks, shields were issued to all the regular employees and contract casuals engaged under manpower contracts as well as job contracts.

- **New Career Development Policy (CDP) for Non-Executives**: New CDP was implemented with various objects to provide career growth to the deserving Non-Executives. Accordingly 80 and 105 Non-Executives were upgraded / promoted to next higher level w.e.f. July 1, 2019 and July 1, 2020 respectively.

- **Encouraging Small Family Norms:** In order to encourage employees to opt for small family, Management, as a policy, allows casual leave for employees who undergo sterilization operation varying from 6 to 14 days based on the type of sterilization operation.

- **Social obligations/welfare programs:** Monetary awards were presented on August 15, 2020 to meritorious students/ children of our employees belonging to 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 standard Board examination or equivalent held in March/April. 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.

- **Post-Retirement Medical Benefit Scheme (PRMBS):** Post-Retirement Medical Benefit Scheme (PRMBS) for employees retired on or after January 1, 2007 and Group Medical Insurance Scheme for Employees retired prior to January 1, 2007 exists in MIDHANI.

- **School Activities:** Brahm Prakash DAV School (BPDAV) is managed by the Company in MIDHANI Township for the welfare of children of MIDHANI employees. Reimbursement @ ₹ 500/- per child per month is borne by the Company every month (max. 2 children) for the children studying in BPDAV. The ward of the employee who is studying in standard (1 to X) and securing 1st and 2nd rank in the final examinations in their previous class are eligible for merit scholarship of ₹ 6,000/- and ₹ 3000/- per annum respectively.

- **Township:** MIDHANI continues to discharge its social obligations by maintaining a township consisting of 87 quarters to cater to the housing needs of the employees working in essential services of the Company.

18.8 **Women Empowerment:** There is strong focus on empowerment of women employees and providing them with equal opportunity across all levels in the Company. Women employees of MIDHANI belonging to Executive and Non-Executive cadre are spread out throughout the Company right from Material procurement, production, maintenance, dispatches to support services such as Civil, Finance, HR, Marketing etc. There are 77 women employees working towards achieving the Companys' goals. To encourage women employees and to strengthen their technical skills and overall grooming, management nominates women employees for in-house as well as external training programs. MIDHANI extends all facilities as per the statutes for the welfare of the women employees.

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

18.10 **Environment management:** MIDHANI continued its efforts to maintain and promote ecological balance in and around factory premises by developing and maintaining extensive plantation. A thick canopy of greenery with thousands of plants of more than 200 species constitutes the green belt in and around MIDHANI.

19. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

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

20. TRAINING & DEVELOPMENT:

20.1 **Employee Training:** During the year under report, Training and Development Department has achieved the 1362 training man days. Due to COVID-19 pandemic, a very limited number of Physical / Class room Training Programs could be conducted. Programs were arranged for 291 Executives (including Non-Unionized Supervisors), 470 Non-executives, and 1025 contract workmen covering a total of 1786 Employees. Around 10 Internal and 14 external training programs were conducted for all Regular employees and Contract workmen covering 1362 man days in total.

20.2 **Plant Visits:** Under the industry - Academia - Interface programme one Plant visit was organized during the year, about 26 JWM trainees from Ordnance Factories, visited MIDHANI for observation on study.

20.3 **Apprenticeship Training:** MIDHANI is committed to fulfill of its obligations under Apprentice Act, 1961. Under the scheme, 06 Sandwich Diploma Engineering (Metallurgy) students from Govt. Polytechnics conducted on the job Training for a period of six months in 2 batches from various Government Polytechnic colleges situated in Telangana and Andhra Pradesh. 158 trade apprentices in Electrician, Fitter Welder, Machinist and Turner have been engaged for on job Training for one year and likewise 13 Graduates Apprentices (GATs) and 05 Technician Apprentices (TATs) under the scheme have been engaged for one year training.

21. STATUTORY & SOCIAL OBLIGATIONS:

21.1 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. For the year under review MIDHANI has incurred expenditure of ₹ 350.92 Lakh for CSR activities against the mandatory requirement of ₹ 392.03 Lakh. Thus, the cumulative CSR expenditure incurred by MIDHANI over the years has crossed ₹ 2,839.19 Lakh.

- An annual report on the CSR activities of the company as mandated under the Companies (Corporate Social Responsibility Policy) Rules, 2014, is also placed at **Annexure - III.** The composition of Corporate Social Responsibility Committee of MIDHANI is provided in "Report on Corporate Governance" which forms part of this Annual Report.

- The projects taken up for CSR activities by your company during the year under report fall under below mentioned areas:

  (i) Promotion of Health Care and Sanitation

  (ii) Promotion of Education

  (iii) Skill Development

  (iv) Others

(i) Promotion of Health Care and Sanitation:

(a) Construction of Toilets:

i) **Locations:** Public Toilet under MIDHANI limits. Renovation of Toilets in ZPHS Jillelaguda, Hyderabad, Kothagudem Govt. Schools & BPDAV School.

In line with Swachh Bharat Mission, Dr. S.K. Jha, Chairman & Managing Director, MIDHANI inaugurating Public Toilet Complex (for Gents & Ladies) constructed under Corporate Social Responsibility

ii) **Total Project Expenditure:** ₹ 61,35,935/-

iii) **No of beneficiaries (Students):** Boys-3000 Girls-3000 (approx)

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

i) **Location:** Public Toilet under MIDHANI limits

ii) **Total Project Expenditure:** ₹ 1,75,000/-

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

(c) Health care:

i) Sponsored 1500 Grocery Kits for ₹ 11,25,000/- through Akshaya Patra Foundation during COVID-19 lockdown to support the Migrant workers.

ii) MIDHANI is managing Charitable Health Care Centre for the poor families staying in and around MIDHANI. Basic health checkup and medicines are provided free of cost to the patients. Expenditure incurred in hiring of Doctor and Medicines was ₹ 6,13,461/-

iii) In lieu of Mid-Day meals, Sponsored 714 no's of Happiness Kits at a cumulative cost of ₹ 3,92,700/- through Akshaya Patra which is meant to support the beneficiary's nutritional needs by providing food items, hygiene needs and to also address the learning gap due to temporary closure of schools.

iv) Sponsored customized 4 wheeler vehicle at a cost of ₹ 16,07,192/- to Akshay Patra for carrying food.

v) Sponsored Water coolers for BPDAV School at a cost of ₹ 3,53,500/-

vi) An amount of ₹ 50,00,000/- has been transferred to PM CARES fund to support in fight against COVID-19.

vii) Initiative to set up MIDHANI Primary Health Care Centre to cater to the medical needs of the public living in and around MIDHANI. Spent an amount of ₹ 24,26,765/- towards equipment's.

(ii) Promotion of Education:

(a) Free Education for children belonging to SC/ST category whose parents fall in lower income group are given admission to LKG and the entire fee is borne by MIDHANI till they pass 10th standard. During FY 2020-21 Company has sponsored 7 (Seven) such children.

(b) Considering the current challenges faced by the students and the teaching faculty due to temporary closure of schools amidst COVID-19 pandemic, MIDHAN has sponsored digital class rooms- 25 no's to BPDAV School through TATA class edge at an expenditure of ₹ 83,06,021/- to give an advance teaching experience to the teacher as well as students to reap the benefits of modern teaching and learning system.

(iii) Skill Development:

(a) Every year MIDHANI inducts apprentices to help students have exposure to the real time environment and gain knowledge from the experienced professionals. An amount of ₹ 45,43,344/- over and above the standard amount fixed by the concerned authorities was paid as stipend.

(b) Contributed ₹ 40,00,000/- to Coimbatore Innovation and Business Incubator as advised by Ministry of Defence for promotion of Innovations for Defence Excellence (iDEX) an initiative of the Government of India launched by the Hon'ble PM.

- Actual CSR expenditure incurred in FY 2020-21 is ₹ 3,50,92,026 against mandatory expenditure of ₹ 3,92,03,450/-. Due to COVID-19 pandemic, suppliers could not deliver the equipment/ infrastructure items as planned. Hence transferred an amount of ₹ 42,00,000/- to MIDHANI CSR Unspent account as per Companies (Corporate Social Responsibility Amendment Rules, 2021).

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

Your Company has always provided a safe and harassment free workplace for every individual working in the Company and for women in particular. Company has in place a robust policy on prevention of sexual harassment at workplace. 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) did not receive any complaint pertaining to sexual harassment and no such complaint are pending at the end of FY 2020-21.

21.3 CONTRIBUTION TO EXCHEQUER:

- During FY 2020-21, your Company contributed an amount of ₹ 18,953.18 Lakh in the form of Dividend, Duties and Taxes vis-à-vis ₹ 17,012.99 Lakh during previous financial year.

21.4 COPY OF ANNUL RETURN:

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

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

- The Report on conservation of Energy, Technology Absorption and foreign exchange earnings and outgo is enclosed at **Annexure – IV**

21.6 BUSINESS RESPONSIBILITY REPORT:

- As stipulated under the SEBI Listing Regulations, the Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective is attached as a part of the Annual Report as **Annexure-V**

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

- MIDHANI being a Public Authority under RTI Act 2005 is discharging its obligation imposed thereof. MIDHANI is furnishing information sought by the citizens of India. MIDHANI has also fulfilled its obligation of Suo Motu disclosures under Section 4 of RTI Act 2005, by displaying information on its official website.

21.8 RAJBHASHA IMPLEMENTATION:

- As per Government of India directives, the Official Language Act 1963, the Official Language Rules 1976 made thereunder and the orders issued by Government of India from time to time are complied by MIDHANI without deviation for promoting the use of Hindi for Official purpose. The quarterly meetings of Official Language Implementation Committee were held under the Chairmanship of Chairman & Managing Director of the Company during the year under report.

- MIDHANI continues to encourage usage of Hindi as the Official Language to carry out day-to-day official work, Four (4) nos. of Hindi Awareness Workshops were organized for the employees during the year under report. Prabodh, Praveen and Pragya Hindi training courses were also conducted for the employees during the year under report.

- "HINDI PAKSHOTSAV" was organized for the propagation of Hindi at large scale in the month of September 2020 and 'Hasya-Vyangya Kavi Sammelan' was organized on the occasion of "Vishwa HINDI Diwas" on January 9, 2021.

Dr. S.K Jha, C&MD inaugurating the Hindi Pakshotsav on 14th September 2020.

21.9 RELATED PARTY TRANSACTION:

- Disclosure of related party transactions as per Ind AS-24, issued by the Institute of Chartered Accountants of India, is given at note no. 40 of the Notes forming part of Annual Accounts for FY 2020-21.

- All contracts /arrangements /transactions entered into by the Company with related parties during the year under review, were in ordinary course of business of the Company and on arms' length terms. The related party transactions were placed before the Audit Committee/Board for review and/or approval.

- During the year, the Company did not enter into any contract /arrangement /transaction with related party, which could be considered material in accordance with the Company's 'Policy on Materiality of and dealing with Related Party Transactions' and accordingly, the disclosure of related party transactions in Form AOC-2 is not applicable. The aforesaid Policy is available on the Company's website *viz.* https://midhani-india.in

22. VIGILANCE ACTIVITIES:

22.1 The company's Vigilance department is headed by a Chief Vigilance Officer (CVO). At present, Dr. Upender Vennam, an IPoS officer, heads company's vigilance set up as CVO. Preventive Vigilance has been the thrust area of the Vigilance department and the same received focused attention during the year under report.

22.2 The Vigilance department examines procurements / sub-contracts and processes on continual basis, conducts regular and surprise inspections & investigates instances of any suspected transactions referred to it. Vigilance setup in MIDHANI has been continuously endeavoring to bring transparency, fairness and equity in all transactions and processes of the Company through creating a sense of awareness campaign and training program. Some of the key activities that have been carried out during the year are:

(i) Vigilance Awareness Week (VAW) – 2020 was observed from 27th October to 02nd November, 2020 focusing on CVC theme of "Vigilant India – Prosperous India" following the COVID-19 preventive measures.

(ii) Eighth issue of MIDHANI in-house vigilance magazine "JAGRUTI" covering the messages, case studies etc., was published and distributed to all the employees.

(iii) In order to sensitize the employees and other stakeholders of the company on policies / procedures and on preventive vigilance measures, "Compendium of circulars / guidelines issued by CVC" was released during VAW – 2020.

(iv) As per the directions of CVC and MoD, two week In-House Mid-Career Training Program (MCTP) has been organized by MIDHANI including two days module on Preventive Vigilance and one day Field visit (outbound training program to Forensic laboratory) for 68 Middle level Managers in two batches. The program was well received and appreciated by participants and Management.

Mid-career training program being inaugurated by Dr. S.K Jha, C&MD along with Shri N. Gowri Sankara Rao Director(Finance) and Dr. Upender Vennam, Chief Vigilance Officer.

23. VIGIL MECHANISM:

23.1 The Whistle Blower Policy was initially adopted by the Board of Directors at its 206th Meeting held on January 23, 2013. The same was subsequently amended as Whistle Blower Policy – 2018 in line with Public Interest Disclosure and Protection of Informers Resolution, 2004 (PIDPI), which envisages a mechanism by which a complainant can blow a whistle by lodging a complaint and also seek protection against his victimization for doing so.

23.2 The Whistle Blower Policy of MIDHANI is available on the Company's website viz. https://midhani-india.in

24. AWARDS AND RECOGNITION:

24.1 MIDHANI was bestowed with The Federation of Telangana Chambers of Commerce and Industry (FTCCI) award under two categories; (1) Excellence in Industrial Productivity (2) Excellence in Research & Development, at FTCCI Excellence Awards ceremony held on January 23, 2021 at KLN Prasad Auditorium FTCCI Hyderabad.

24.2 Dr. G. Satheesh Reddy, Secretary DD(R&D) & Chairman Defence Research & Development Organisation (DRDO) presented 'Certificate of Appreciation' to C&MD MIDHANI for valuable contribution towards production of Missiles on February 14,2021.

Dr. Sanjay Kumar Jha, C&MD MIDHANI receiving FTCCI Awards for "Excellence in Industrial Productivity" from Shri K T Rama Rao, Hon'ble Minister for Industries, MA & UD, IT, E&C Government of Telangana.

Shri Gowri Sankara Rao D(F) MIDHANI receiving FTCCI award for Excel lance in Research & Development ' from Shri K.T. Rama Rao, Hon'ble Minister of Industries, MA & UD, IT, E&C Govt. of Telangana.

24.3 MIDHANI received SKOCH Order of Merit and SKOCH Gold Award for "Modernization and Diversification of Product & Process at MIDHANI" under "Corporate Excellence" category during 71st SKOCH Summit held on February 20, 2021.

24.4 Dr. S.K Jha, CMD, was conferred with IIM TATA Gold Medal by the Indian Institute of Metals for his outstanding contribution in the field of Metallurgical Science in India on the occasion of 58th National Metallurgist Day and 74th Annual Technical Meeting 2020 held on February 24, 2021.

24.5 Certificate of commitment was presented to MIDHANI for securing '4-star rating' for commitment to Environment, Health and Safety (EHS) practice in the CII-SR-EHS Excellence awards held on March 25, 2021.

25. COMPANY PERFORMANCE AND FUTURE OUTLOOK:

A detailed analysis and insights into the financial performance and operations of your Company for the year under review and future outlook, is appearing in Management Discussion and Analysis, which forms part of this Annual Report.

26. CORPORATE GOVERNANCE:

26.1 The basic principles and philosophy of Corporate Governance is followed in letter and spirit in every aspect of Company's decision making in tune with the contemporary demand for good Corporate Governance and adherence to guidelines issued by Department of Public Enterprises from time to time. A Code of

MIDHANI received SKOCH Order of Merit and SKOCH Gold Award for "Modernization and Diversification of Product & Process at MIDHANI" under "Corporate Excellence" category on Feb 20, 2021.

Dr. Sanjay Kumar Jha, CMD, MIDHANI has been conferred with" IIM TATA GOLD MEDAL" for his outstanding contribution in the field of Metallurgical Science in India for the year 2020.

Business Conduct and Ethics, applicable to all Board Members and Senior Management, has been implemented in the Company. The adherence to the code is confirmed by respective members on an annual basis. A certificate to this effect by Chairman and Managing Director forms part of the Annual Report.

26.2 A detailed report on Corporate Governance forms part of this Annual Report. Certificate for adherence to the guidelines issued by DPE and SEBI Listing Regulations in this regard, duly signed by a practicing Company Secretary, is also made a part of the Annual Report.

26.3 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 100% for the FY 2020-21.

27. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

27.1 Your Company has adequate internal financial controls in place with reference to the financial statements. The internal control system is supplemented by an extensive program of internal audits and their reviews by the management. The in-house internal audit function supported by professional external audit firms conduct comprehensive risk focused audits and evaluate the effectiveness of the internal control structure and functions on a regular basis.

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

27.3 There were no instances of fraud reported to the Audit Committee/Board by the Auditors pursuant to Section 143(12) of the Companies Act, 2013 and rules made thereunder. Hence no disclosure under Section 134(3)(ca) is made.

28. BOARD OF DIRECTORS:

28.1 The Board of your Company at the beginning of the year comprised of Four (4) Directors i.e. Two (2) Functional Directors, One (1) Government Nominee Director and One (1) Non-Official Part-Time (Independent) Directors, all eminent personalities with vast experience from diverse fields.

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

- Upon superannuation on April 30, 2020, Dr. Dinesh Kumar Likhi (DIN: 03552634), ceased to be Chairman and Managing Director of the Company.
- Administrative Ministry i.e. Ministry of Defence in pursuance of Article 67 of Article of Association of Company conveyed Presidential order vide letter No. 5/1(2)/2018/D(NS) dated 30th April, 2020, for appointing Dr. Sanjay Kumar Jha, (DIN: 07533036) (Director Production & Marketing) to the post of Chairman & Managing Director, MIDHANI with effect from May 01, 2020, till the date of his superannuation i.e. February 29, 2024 or until further orders, whichever is earlier. Accordingly, Dr. S. K. Jha has assumed charge as Chairman & Managing Director, MIDHANI with effect from May 1, 2020.
- Shri Surendra Sinh, ceased to be Independent Director of the Company, upon completion of his tenure as Independent Director of the Company w.e.f. October 8, 2020.
- Administrative Ministry i.e. Ministry of Defence in pursuance of Article 67 of Article of Association of Company conveyed Presidential order vide letter No. 5/1(1)/2019/D(NS) dated October 15, 2020, for appointing Shri Gowri Sankara Rao Naramsetti (DIN: 08925899) as Director (Finance) of the Company. He assumed charge as Director (Finance) of the Company w.e.f. October 27, 2020.
- Shri Sanjay Jaju, Additonal Secretary (DP) (DIN: 01671018) ceased to be the Government Nominee Director on our Board w.e.f November 24, 2020.
- Administrative Ministry i.e. Ministry of Defence vide Office Order F.No. 08(12)/2007-D(Coord/DDP) dated November 24, 2020 appointed Shri Anurag Bajpai (DIN: 08948155), Joint Secretary (P&C) as Government Nominee Director on the Board of Mishra Dhatu Nigam Limited, w.e.f. November 24,2020

28.3 During the year under review, the following changes in Key Managerial Personnel (KMP) were observed:

- The Board of Directors of the Company at its 255th Meeting held on June 30, 2020 accorded its approval to designate Dr. S. K. Jha, Chairman and Managing Director as whole-time Key Managerial Personnel of the Company with effect from June 30, 2020.
- The Board of Directors of the Company at its 255th Meeting held on June 30, 2020 appointed Smt. Madhubala Kalluri, General Manager (Finance) as Chief Financial Officer, (KMP) of the Company with effect from June 30, 2020 for an interim period, till the regular appointment of incumbent as Director (Finance) by PESB and assumption of charge as Director (Finance). The tenure of Smt. Madhubala Kalluri as CFO ceased w.e.f. October 27, 2020 on Shri Gowri Sankara Rao Naramsetti assuming charge as Director (Finance).
- The Board of Directors of the Company at its 258th Meeting held on 11th November, 2020 accorded its approval to designate Shri Gowri Sankara Rao Naramsetti as Chief Financial Officer, Whole-Time Key Managerial Personnel of the Company with effect from November 11, 2020 till he holds office of Director (Finance) in the Company.

28.4 In accordance with provisions of the Companies Act, 2013, Dr. Sanjay Kumar Jha retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible has offered himself for re-appointment. Your Directors recommend re-appointment of Dr. Sanjay Kumar Jha for approval of Members at the ensuing AGM.

28.5 Brief resume, nature of expertise, details of directorship held in other companies, of the Director(s) proposed to be appointed / re-appointed at the ensuing AGM, along with their shareholding in the Company, as stipulated under Secretarial Standard-2 and Regulation 36 of the SEBI Listing Regulations, is provided in the Notice of the 47th AGM.

28.6 **Performance Evaluation:** The Company is a Government Company and Independent Directors are appointed / reappointed by the President of India, through Administrative Ministry. The evaluation of the performance of the Independent Directors and their fulfillment of Independence criteria as specified in the SEBI Listing Regulations, are being carried out by the Government of India as per its own processes. However, due to the vacant position of Independent Directors on Board of MIDHANI no meetings of Independent Directors could be held to review the performance of the Board during FY 2020-21.

29. REMUNERATION POLICY:

29.1 MIDHANI is a Government of India owned Public Sector Enterprise under administrative control of Ministry of Defence. Directors of the Company are presidential appointees and their remuneration is fixed in accordance with the DPE guidelines. Article 67 of the Articles of Association of MIDHANI states that the President will appoint Directors and determine their remuneration. Since the Board level appointments are made by the President of India, the evaluation of performance of such appointees is also done by the Government of India.

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

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

30. DECLARATION AND MEETING OF INDEPENDENT DIRECTORS:

30.1 Independent Directors of the Company had confirmed that they meet the criteria of Independence as prescribed under both, the Companies Act, 2013 and SEBI Listing Regulations. Further, Independent Directors had complied with Rule 6, Sub-rule 1 & 2 of Companies (Appointment and Qualifications of Directors) Rules, 2014.

30.2 The Independent Directors had also confirmed that they have complied with the "Code of Business Conduct and Ethics for Board Members and Senior Management" of the Company.

30.3 A separate meeting of Independent Directors in line with provisions of Companies Act, 2013 could not be held during the year under report due to the post of Independent Directors remaining vacant.

31. DIRECTORS' RESPONSIBILITY STATEMENT:

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

a. in the preparation of the Annual Accounts for the financial year ended March 31, 2021, the applicable Indian Accounting Standards (Ind AS) have been followed along with proper explanations on the material departures;

b. such Accounting Policies have been selected and applied consistently and judgments and estimate have been made; that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year i.e. March 31, 2021; and of the Profit of the Company for the year ending on March 31, 2021;

c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013, as amended from time to time, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the accounts for the financial year ended on March 31, 2021 have been prepared on a 'going concern' basis;

e. proper internal financial controls were in place and that such internal controls are adequate and are operating effectively; and

f. systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

32. AUDITORS:

32.1 **Statutory Auditors:** The Comptroller and Auditor General of India (C&AG) appointed M/s Sarath & Associates, Chartered Accountants, Hyderabad, [Firm Registration No. 005120S] as Statutory Auditors of the Company for conducting audit of accounts for the year ended March 31, 2021. The Auditors Report of Statutory Auditors Financial Statements for the financial year ended on March 31, 2021, is an unmodified opinion i.e. it does not contain any qualification, reservation or adverse remark.

32.2 **Cost Auditor:** Your Company appointed Sandeep Zanwar & Associates, Cost Accountants, Hyderabad, [Firm Registration No 100283] as Cost Auditors for the FY 2020-21 in terms of Section 148 of Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014.

32.3 **Secretarial Auditor:** In terms of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 your Company appointed R&A Associates, Hyderabad [Firm Registration No.P1994AP011100] as Secretarial Auditors of the Company for the FY 2020-21. The Secretarial Audit report is placed at **ANNEXURE – VI** along with management reply to the observations therein.

32.4 **Internal Auditor:** Your Company engaged Pary & Co. [Firm Registration No. 007288C] to conduct Internal Audit for the FY 2020-21.

33. COMMENTS OF COMPTROLLER & AUDITOR GENERAL OF INDIA:

The comments on the Accounts by the Comptroller and Auditor General of India for the year ended 31st March, 2021 are placed in this report after the report of the Statutory Auditors.

34. DISCLOSURES UNDER COMPANIES ACT, 2013:

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

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

34.3 **Board Meetings:** During the financial year ended on March 31, 2021, the Board met seven (7) times on June 30, 2020, September 11, 2020, October 7, 2020, November 11, 2020, December 17, 2020, February 12, 2021 and March 15, 2021. For further details of these meetings, Members may please refer 'Report on Corporate Governance' which forms part of this Annual Report.

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

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

35. GENERAL AFFIRMATIONS AND DISCLOSURES:

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

a) Details relating to deposits covered under Chapter V of the Companies Act, 2013.

b) Issue of equity shares with differential rights as to dividend, voting or otherwise.

c) Issue of shares (including sweat equity shares) to employees of the Company under any scheme of the Company.

35.2 Your Directors further state that:

a) there was no change in the share capital of the Company during the year under review.

b) no material changes/commitments of the Company have occurred after the end of the FY 2020-21 and till the date of this report, which affect the financial position of your Company.

c) no significant or material orders were passed by the Regulators or Courts or Tribunals which impact the 'going concern' status and Company's operations in future.

36. ACKNOWLEDGEMENT:

36.1 The Board of Directors are extremely thankful for the continued patronage and gratefully acknowledge the valuable support and assistance received from all Government agencies particularly from Ministry of Defence, all establishments under DRDO and other agencies of Central and State Government. Your Directors also place on record sincere thanks to vendors, Bankers, C&AG, Statutory /Internal Auditors, Chairperson - Audit Committee, Chairman of other sub Committees of the Board, Advisers, Consultants etc., of the Company for their continued support and guidance during the year.

36.2 Your Directors take this opportunity to place on record their deep appreciation for the valuable contribution made and excellent co-operation rendered by all the employees.

36.3 Your Directors express their appreciation and gratitude to all the shareholders/investors for the trust and confidence reposed in the Company and look forward to their continued support to propel the Company to greater heights.

For and on behalf of the Board of Directors

Sd/-
Dr. S. K. Jha
Chairman & Managing Director

Place: Hyderabad
Date : June 24, 2021

REPORT ON CORPORATE GOVERNANCE

MIDHANI's Philosophy on Code of Governance

Mishra Dhatu Nigam Limited (MIDHANI) is a Mini-Ratna Category – 1, Public Sector Undertaking (PSU) under administrative control of Ministry of Defence (MoD). As a good corporate citizen, MIDHANI's philosophy on Corporate Governance is based on the principles of honesty, integrity, accountability, adequate disclosures, legal compliances, transparency in decision making and avoiding conflicts of interest. MIDHANI strives to transcend beyond the basic requirements of Corporate Governance by building an environment of trust and with consistent focus towards value addition for all its stakeholders.

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

- Code of Conduct for Board of Directors and Senior Management.
- Code of Conduct for Prevention of Insider Trading and Fair disclosure of Unpublished Price Sensitive Information.
- Conduct, Discipline and Appeal Rules for Employees.
- To ensure transparency and Integrity in all contracts, MIDHANI is signing "Integrity Pact" with respective bidders in all high value procurement indents.
- Implementation of Right to Information Act, 2005 and MIDHANI's website is updated on continuous basis so that stakeholders are aware about various news and developments.
- MIDHANI's vigilance set up is headed by a Chief Vigilance Officer. Preventive Vigilance has been the thrust area of the Vigilance department and Vigilance department examines major procurements/contracts, conducts regular and surprise inspections.

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

Board of Directors

Composition of the Board

As on March 31, 2021, the Board comprised of three Directors, including one non-executive Director, which is not in accordance with SEBI Listing Regulations, which provides that, not less than one-half of the Board of Directors comprises of Non-executive Directors.

MIDHANI being a Govt. Company, the authority for appointment of Directors on the Board vests with Administrative Ministry i.e. Ministry of Defence (MoD). At present, the position for four Independent Directors (including women ID) and one Executive Director stands vacant.

During the financial year ended on March 31, 2021 the following tenure end and appointment of Directors were observed:

- Dr. Dinesh Kumar Likhi, superannuated from the position of Chairman and Managing Director of the Company, on April 30, 2020.
- Consequent upon superannuation of Dr. Dinesh Kumar Likhi, Dr. Sanjay Kumar Jha, was appointed as Chairman and Managing Director of the Company with effect from May 1, 2020.
- Tenure of Shri Surendra Sinh, as Independent Director of the Company ceased w.e.f October 8, 2020.
- Shri Gowri Sankara Rao Naramsetti has assumed charge as Director (Finance) of the Company with effect from October 27, 2020 pursuant to Presidential Order conveyed by Ministry of Defence and was designated as Chief Financial Officer w.e.f. November 11, 2020.
- In place of Shri Sanjay Jaju, Additional Secretary (DP), Shri Anurag Bajpai, Joint Secretary (P&C) was appointed as the Government Nominee Director (Part-time Official Director) on the Board of the Company with effect from November 24, 2020 pursuant to orders conveyed by Ministry of Defence.

Due to aforementioned changes, the composition of MIDHANI's Board is not in line with Regulation 17(1) (a) and Regulation 17(1)(b) & 17(1) (c) of SEBI Listing Regulations. MIDHANI, being a PSU and under the administrative control of MoD, the appointments of Directors (including executive and non-executive Directors) on the Board is made by Govt. of India.

The composition of the Board of Directors as on March 31, 2021, was as follows:

Name of Director	Date of appointment	Relationship between Directors, *inter-se*	DIN
EXECUTIVE DIRECTOR(S)/ FUNCTIONAL DIRECTOR(S)			
Dr. Sanjay Kumar Jha@ *Chairman & Managing Director*	July 5, 2016	None	07533036
Shri Gowri Sankara Rao Naramsetti #	October 27, 2020	None	08925899
GOVERNMENT NOMINEE DIRECTOR			
Shri Anurag Bajpai *Joint Secretary (P&C)* *Department of Defence Production,* *Ministry of Defence*	November 24, 2020	None	08948155
NON-EXECUTIVE – INDEPENDENT DIRECTOR			
None	-	-	-

@Appointed as Chairman & Managing Director w.e.f. May 1, 2020.

#Designated as Chief Financial Officer(KMP) w.e.f. November 11 ,2020.

Key Board expertise and skills

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

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

- **Industry specific**
  - Knowledge of products manufactured by Company.
  - Reforms in technological aspects of Metallurgy Industry.
  - Understanding laws, rules and regulations specific to a PSU.
- **Management skills**
  - General Management skill.
  - Understanding of micro and macro factors affecting the industry.
  - Risk Management.
  - Assessment and evaluation of project viability.
- **Corporate Governance**
  - Protecting stakeholders' interest.
  - Observing appropriate governance practices
  - Contribute towards streamlining integrity and good corporate practices across organization.

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

None of the Directors serve as Independent Director in more than seven listed companies, or serve as Independent Director in more than three listed companies in case he/she serves as Whole-time Director in a listed Company.

Further, In terms of Regulation 25(8) of SEBI Listing Regulations, Independent Director had confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors had confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

None of the Directors hold any shares in the Company. Further, none of the Directors on the Board have been debarred or disqualified from being appointed or continuing as directors by SEBI/ Ministry of Corporate Affairs or any other statutory authority. The certificate of R&A Associates, Practicing Company Secretaries, certifying the same, is placed at **"Annexure– VII"**.

The certificate on Corporate Governance issued by Company Secretary-in-Practice is placed at **"Annexure - VIII"**.

Directors' attendance and Directorships held

The Board met seven (7) times during the financial year ended March 31, 2021. The average attendance of Directors for all the Board Meetings during the financial year was 100%, details thereof are as follows:

No. of Board Meeting	Date of Board Meeting	Board Strength	No. of Directors Present	No. of Independent Directors Present@
255	30.06.2020	3	3	01 out of 01
256	11.09.2020	3	3	01 out of 01
257	07.10.2020	3	3	01 out of 01
258	11.11.2020	3	3	NA
259	17.12.2020	3	3	NA
260	12.02.2021	3	3	NA
261	15.03.2021	3	3	NA

@Board of Company does not have any Independent Director post October 8, 2020.

The quorum of Board Meetings(258 to 261) was not in line with Regulation 17(2A) of SEBI (Listing Regulations)

Details of Directors' attendance at the Board Meetings and Annual General Meeting as on March 31, 2021 along with name(s) of listed companies and category of directorship held, are as follows:

Name of Director	No. of Meetings attended during FY 2020-21	Attendance at last Annual General Meeting held on 29.09.2020	No. of other Directorships held	Committee positions held in other companies$		Directorships held in other listed companies and category
				Chairperson	Member%	
Dr. Dinesh Kumar Likhi@	NA	NA	-	None	None	None
Dr. Sanjay Kumar Jha	7	√	2	None	None	None
Shri Surendra Sinh#	3	√	-	None	None	None
Shri Gowri Sankara Rao Naramsetti^	4	NA	-	None	None	None
Shri Sanjay Jaju*	4	AB	-	None	None	None
Shri Anurag Bajpai&	3	NA	1	None	Audit Committee	Bharat Electronics Limited – Non-executive Director

@Upon Superannuation, ceased to be Chairman & Managing Director w.e.f. May 1, 2020.

#Ceased to be Independent Director upon completion of term w.e.f. October 8, 2020.

^ Appointed as Director (Finance) w.e.f October 27, 2020

**Ceased to be Govt. Nominee Director upon completion of term w.e.f. November 24, 2020.*

& Appointed as Govt. Nominee Director w.e.f. November 24, 2020.

$Only Audit Committee and Stakeholders' Relationship Committee are considered.

%Does not include chairmanships.

During the year, Board Meetings were held through Video Conferencing, in line with Ministry of Corporate Affairs (MCA) notifications dated September 20, 2020 and December 30, 2020.

The Directors are not members of, more than ten Board Committees or Chair more than five such Committees. The number of Directorships, Committee membership(s)/ Chairmanship(s) of the Directors is within respective limits prescribed under the Companies Act, 2013 and SEBI Listing Regulations.

Board Methodology

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

During FY 21, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration. The Directors were provided with video-conferencing facility, as and when desired by them to attend/participate in Board/Committee Meeting. Further, quorum of Board was un-interested throughout the Meeting in terms of Section 174 of Companies Act, 2013.

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

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

Appointment and remuneration to Functional Directors

The Articles of Association of the Company provides for appointment of all Directors by President of India. The terms and conditions of appointment of a Director are issued by Govt. of India acting through Ministry of Defence. The Functional Directors are generally appointed for a period of five years with effect from date of assumption of charge of the post or till the date of his superannuation, i.e age 60 years or until further orders whichever is earlier. The Functional Directors are also entitled to performance related pay in accordance with DPE guidelines. Notice period in case of leaving service before the contractual term is 3 months or in the absence of notice period, 3 months' pay be remitted.

The details of remunerations paid to Functional Directors paid during FY 2020-21:

Figures ₹ in Lakh.

Name of Director	Salary & Allowances	Perquisites	Retirement benefits (Pension/ Gratuity)	Performance related pay during FY 20-21 (pertaining to profits for FY19-20)
Dr. Dinesh Kumar Likhi@	4.38	-	23.71	-
Dr. Sanjay Kumar Jha	46.73	-	3.75	-
Shri Gowri Sankara Rao Naramsetti#	15.03	-	1.21	-

@Remuneration details are till April 30, 2020.

 # Remuneration details w.e.f. October 27, 2020.

Appointment and remuneration to non-Executive Independent Directors

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

During the financial year ended on March 31, 2021, Shri Surendra Sinh, Independent Director on assuming charge as Information Commissioner has not accepted sitting fees for attending Board/ Sub Committee Meetings paid by the Company, keeping with the provisions of Section 15(6) of the Right to Information Act, 2005.

Name of Independent Director(s)	Sitting fees (in ₹)	
	For Board Meetings	For committee Meetings
Shri Surendra Sinh@	Nil	Nil

@Tenure ended w.e.f October 8, 2020

Appointment and remuneration to Non-Executive - Government Nominee Director

The Government Nominee Director is appointed by the President of India and he/she holds the office till further orders from the Government. They are not entitled to any remuneration or sitting fees. As on March 31, 2021, your Company has one Government Nominee Director.

Board Committees

During FY 2020-21, pursuant to order of MoD, the tenure of all Independent Directors on the Board of Company came to an end, with that, your Company does not have any Independent Director on the Board from October 8, 2020.

Consequently, Board of Directors in its Meeting held on November 11, 2020 suspended all its sub-committees of Board till such time as the Independent Directors are appointed by MoD and Board level committees are re-constituted accordingly. All the agenda items pertaining to committees were put to the Board.

During FY 2020-21, your Company had nine committees of Board and has one apex internal committee called Corporate Management Committee. The committees are formed to facilitate a smooth and efficient flow of decision-making.

The committees of Board are as follows:-

a) Audit Committee
b) Nomination & Remuneration Committee
c) Stakeholders Relationship Committee
d) Risk Management Committee

e) Corporate Social Responsibility Committee
f) Procurement Committee
g) Human Resources Committee
h) Technical Committee
i) Share Certificate Committee
j) Corporate Management Committee

a) Audit Committee (AC) :-

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

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

During the financial year ended on March 31, 2021, two meetings of the Audit Committee were held. The composition of Audit Committee, date on which the meetings were held and attendance of Directors at the above meetings, was as follows:

Name of Director & category	Meeting No. & date of Meeting and Attendance	
	69	70
	30.06.2020	11.09.2020
Shri Surendra Sinh – *Chairman* Independent Director	√	√
Shri Sanjay Jaju - *Member* Non-executive - Government Nominee Director	√	√
Dr. Sanjay Kumar Jha – *Member* Executive Director	√	√

Company Secretary acts as Secretary to the Committee

During FY 2020-21, the Composition of Audit Committee and quorum of its meeting was not in line with Regulation 18 of SEBI LODR.

Post tenure end of Shri Surendra Sinh as Independent Director of the Company from October 8, 2020, the Board of MIDHANI, suspended all its Board level Committees w.e.f November 11, 2020, and business items pertaining to Audit Committee were placed at the Board directly.

Chairman of Audit Committee was Non-executive Independent Director, with knowledge of accounting and related financial management expertise. All members of Audit Committee have good knowledge of accounting and expertise in financial matters. The Committee regularly interacts with the representatives of external audit firms carrying out Internal/Statutory Audit of the Company and takes stock of all the finance related matters. The Chairman of Audit Committee was present at the 46th Annual General Meeting held on September 29, 2020.

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

All the recommendations made by the Audit Committee were accepted by the Board during the year.

b) Nomination & Remuneration Committee (N&RC)

The Board of Company, does not have requisite no. of Independent Directors i.e. half of the Board of Directors comprising of Independent Director.

Post tenure end of Shri Surendra Sinh as Independent Director of the Company from October 8, 2020, the Board of MIDHANI, suspended all its Board level Committees w.e.f November 11, 2020, and business items pertaining to N&RC were placed at the Board directly.

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

(i) Decide on the annual bonus/ performance pay/ variable pay pool and policy for its distribution across the executives and non-unionized supervisors of our Company;

(ii) Formulation and modification of schemes for providing perks and allowances for officers and nonunionized supervisors;

(iii) Any new scheme of compensation like medical scheme, pension etc. to officers, non-unionized supervisors and the employees as the case may be;

(iv) Exercising such other roles assigned to it by the provisions of the SEBI Listing Regulations and any other laws and their amendments from time to time; and

(v) Company Secretary acts as Secretary to the Committee.

During the financial year ended on March 31, 2021, no meeting of N&RC was held.

c) Stakeholders Relationship Committee (SRC)

Post tenure end of Shri Surendra Sinh as Independent Director of the Company from October 8, 2020, the Board of MIDHANI, suspended all its Board level Committees w.e.f November 11, 2020, and business items pertaining to SRC were placed at the Board directly.

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

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

(ii) Giving effect to all transfer/transmission of shares and debentures, dematerialization/ rematerialization of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;

(iii) Overseeing the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services; and

(iv) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act, 2013 or SEBI Listing Regulations, or by any other regulatory authority.

During the financial year ended on March 31, 2021, no meeting of SRC was held. The composition of SRC during FY 2020-21 was as follows:

Name of Director & Category
Shri Surendra Sinh, *Chairman* Independent Director @
Dr. Sanjay Kumar Jha, *Member* Executive Director #
Dr. Dinesh Kumar Likhi , *Member* & Executive Director
Shri Gowri Sankara Rao Naramsetti – *Member* % Executive Director
Shri Sanjay Jaju, (Member) Govt. Nominee Director $

Company Secretary acts as Secretary to the Committee.

@Upon tenure completion, ceased to be Independent Director of the Company w.e.f October 8, 2020.

#Member of Committee by virtue of Additional charge of Director (Production & marketing) .(August 01, 2020 till February 29, 2021)

& Ceased to be Member of SRC on April 7, 2020.

% Member of SRC with effect from October 27, 2020.

$ Upon Completion of tenure ceased to be Member of SRC w.e.f. November 24, 2020.

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

Opening balance	Received	Resolved	Closing Balance
Nil	1	1	Nil

d) Risk Management Committee (RMC)

In terms of market capitalization as on March 31, 2020, your Company was among the top 500 listed companies. Hence, for FY 2020-21, constitution of Risk Management Committee (RMC) is applicable in terms of Regulation 21 of Listing Regulations.

The terms of reference to RMC are as follows:

i) To review the Risk Management Policy and associated frameworks, processes and practices of the Company and recommend any proposed changes to the Board for approval;

ii) To review and assess the quality, integrity and effectiveness of the risk management systems especially Cyber Security measures taken up by the Company and ensure that the risk policies and strategies are effectively managed;

iii) To ensure that the Company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities;

iv) To assist the Board in setting risk strategies, policies, frameworks, models and procedures;

v) To review and assess the nature, role, responsibility and authority of the risk management function within the Company and outline the scope of risk management work;

vi) To ensure that the Company has implemented an effective ongoing process to identify risk, to measure its potential impact against a broad set of assumptions and then to activate what is necessary to pro-actively manage these risks, and to decide the Company's appetite or tolerance for risk;

vii) Identify additional risks, if any and decide risk mitigation plans including risk acceptance.; and

viii) The Committee can frame its own guideline for conducting its meetings.

Upon tenure end of Shri Surendra Sinh as Independent Director of the Company from October 8, 2020, the Board of MIDHANI suspended all its Board level Committees w.e.f November 11, 2020, hence the RMC stands suspended till such time Directors are appointed by MoD on Board of MIDHANI.

During the financial year ended on March 31, 2021, one meeting of the RMC was held. The composition of RMC, date on which the meetings were held and attendance of Directors at the above meetings, was as follows:

Name of Director & Category	Meeting No. & date of Meeting and Attendance
	2nd Meeting
	06.10.2020
Dr. Dinesh Kumar Likhi, Chairman@ Executive Director	NA
Dr. Sanjay Kumar Jha – Chairman # Executive Director	√
Shri Surendra Sinh – Member & Independent Director	√
Shri. D. Gopikrishna – Member GM (Production & Marketing)	√
Smt. K. Madhubala – Member AGM (Finance & Accounts)	√

Company Secretary acts as Secretary to the Committee.

@Upon superannuation ceased to be Chairman of RMC w.e.f May 1, 2020.

 # Chairman of RMC w.e.f. May 1, 2020.

& Inducted as Member of RMC w.e.f. June 30, 2020, however upon tenure end as Independent Director, ceased to be member of RMC w.e.f. October 8, 2020.

e) <u>Corporate Social Responsibility (CSR) Committee & Sustainable Development (SD) Committee</u>

The Board of Directors of your Company has approved the Corporate Social Responsibility and Sustainability Policy formulated as per the Section 135 of the Companies Act, 2013 and the rules framed thereunder and the Corporate Social Responsibility & Sustainability Guidelines issued by the DPE.

The aforesaid policy is available at the website of company viz. https://midhani-india.in/

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

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

i) Formulation and recommending to the Board the CSR Policy indicating the activities to be undertaken by the Company covered under Schedule VII of the Companies Act, 2013 and adhering to guidelines of DPE.

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

During the financial year ended on March 31, 2021, one (1) meeting of the CSR&SD Committee was held. The composition of CSR & SD Committee, date on which the meetings were held and attendance of the Directors at the said meetings was as follows:

Name of Director & Category	Meeting No. & date of Meeting and Attendance
	21st Meeting
	07.10.2020
Dr. Dinesh Kumar Likhi, *Chairman*@ Executive Director	N.A
Dr. Sanjay Kumar Jha, Chairman# Executive Director	√
Shri. Surendra Sinh, Member& Independent Director	√
Shri Sanjay Jaju, *Member*$ Govt. Nominee Director	AB

Company Secretary acts as Secretary to the Committee.

@Upon Superannuation, ceased to be Director of the Company on April 30, 2020.

#Inducted as Chairman of Committee by virtue of holding office as Chairman and Managing Director w.e.f. May 1, 2020.

&Upon completion of tenure ceased to be Independent Director w.e.f. October 8, 2020.

$ Upon Completion of Tenure ceased to be Govt. Nominee Director w.e.f. November 24, 2020.

Post tenure end of Shri Surendra Sinh as Independent Director of the Company from October 8, 2020, the Board of MIDHANI, suspended all its Board level Committees w.e.f November 11, 2020, and business items pertaining to CSR & SD were placed at the Board directly.

f) <u>Procurement Committee (PC)</u>

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

The terms of reference of PC are as follows:

(i) The Committee shall have the powers of Board to deal with all cases of Procurement of Raw Materials, Consumables and other revenue items beyond the delegated powers of Chairman & Managing Director;

(ii) In respect of Capital items, the Committee shall have full powers of the Board, provided AoN (i.e. Acceptance of Necessity) was approved by the Board, any deviation from the original approvals shall require fresh approval of the Board;

(iii) To consider and clear the Procurement Proposals beyond the delegated powers of Chairman & Managing Director as per delegation of powers approved by Board, subject to adhering to the due process laid down in the Purchase Policy & Procedures in vogue in the Company;

(iv) To consider and approve such other Procurement proposals as may be entrusted by the Board from time to time;

(v) To study and recommend to Board the Policies & Procedures to be followed by the Company in the matter of Procurement of materials and equipment including the recommendation to Board for approval of Purchase manual;

(vi) To consider and advise Board on matters relating to e-procurement;

(vii) To consider and advise Board on the matters relating to CVC Guidelines/ MoD instructions; and

(viii) The C&MD of the Company shall act as Chairman of the Committee and in the absence of the Chairman; the members present may elect the Chairman and conduct the proceedings. The proposals approved by the Committee shall be put up to Board at its next meeting for information.

During the financial year ended on March 31, 2021, one (1) meeting of the PC was held. The composition PC, date on which the meetings were held and attendance of the Directors at the said meetings was as follows:

Name of Director & Category	**Meeting No. & date of Meeting and Attendance**
	129th
	06.10.2020
Dr. Dinesh Kumar Likhi, *Chairman*@ Executive Director	NA
Dr. Sanjay Kumar Jha, *Chairman*# Executive Director	✓
Shri Surendra Sinh, *Member* & Independent Director	✓

Company Secretary acts as Secretary to the Committee.

@Upon Superannuation, ceased to be Chairman of PC on April 30, 2020.

 # Inducted as Chairman of PC by virtue of holding office as Chairman and Managing Director w.e.f. May 1, 2020.

&Upon completion of tenure ceased to be Member of PC w.e.f. October 8, 2020.

Post tenure end of Shri Surendra Sinh as Independent Director of the Company from October 8, 2020 the Board of MIDHANI, suspended all its Board level Committees w.e.f November 11, 2020, and business items pertaining to PC were placed at the Board directly.

g) Human Resources Committee (HRC)

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

The detailed terms of reference of HRC are as follows:

(i) To review and make suggestions to Board of Directors in respect of Policy matters relating to both Executives (including Non-Unionized Supervisory Cadre) and Non-Executives in respect of the following matters:

a) Creation /abolition of Posts - fixing optimum man power strength.

b) Changes in the Organization Structure, Designations, allocation of functions.

c) Recruitment Rules and Procedure.

d) Service conditions like Leaves, TA&DA, Medical, LTC etc.

e) Salary / Wage structure - Scales of Pay-Increments and other related matters.

f) Perquisites and Allowances, Bonus, Performance and Productivity Related Incentive Schemes.

g) Retirement benefits and plans.

h) Creation and Maintenance of Provident Fund, Gratuity Fund, Pension Fund etc.

i) All Welfare Schemes including Canteen, School, Transport, Awards/ Rewards, Ex-gratia, Gifts and other benefits including facilities to be extended after retirement.

j) Maintenance of Town Ship and Estate Matters.

k) Career Development Plans including Training & Development Programs - Engagement of GETs / MTs and the Schemes relating to them.

l) Framing up of Conduct, Discipline and Appeal (CDA) Rules and Standing Order as applicable.

m) Review and make suitable recommendations to Board in respect of Disciplinary proceedings / reports / actions taken and/or to be taken.

n) Introduction of Voluntary Retirement, Compulsory Retirement and other Separation Schemes.

o) Vigilance and Security related issues.

p) Trade Unions, Officers / Supervisors Associations.

(ii) Recommending to Board of Directors regarding grant of donations to charitable and other funds on account of natural calamities.

(iii) The Committee shall exercise the powers of the Board and on assessment may reserve agenda items for decision of the Board. The Committee can frame its own guidelines for conducting its meetings.

During the financial year ended on March 31, 2021, one (1) meeting of the HRC was held. The composition of HRC, date on which the meetings were held and attendance of the Directors at the said meetings was as follows:

Name of Director & Category	Meeting No. & date of Meeting and Attendance
	16
	11.05.19
Shri Surendra Sinh, *Chairman** Independent Director	✓
Dr. Sanjay Kumar Jha, *Member* Executive Director	✓
Dr. Dinesh Kumar Likhi, *Member*@ Executive Director	NA

Company Secretary acts as Secretary to the Committee.

**Upon completion of tenure as Independent Director ceased to be Chairman of HRC w.e.f. October 8, 2020.*

@Upon Superannuation, ceased to be Chairman of HRC on April 30, 2020.

Post tenure end of Shri Surendra Sinh as Independent Director of the Company from October 8, 2020 the Board of MIDHANI, suspended all its Board level Committees w.e.f November 11, 2020, and business items pertaining to HRC were placed at the Board directly.

h) Technical Committee (TC)

The Technical Committee (TC) started functioning w.e.f. January 24, 2011. It was constituted by Board of Directors with the primary objective of studying technological aspects that needed attention of the Company and to carry out technical study of Company's operations, and Modernization, up-gradation and Expansion programmes under implementation or proposed to be undertaken in near future. TC consists of members of the Board having technical expertise in metallurgy.

The terms of reference to technical committee are as follows:

(i) Overseeing of the Company's technological competitiveness (current and future) in line with the business strategy;

(ii) Guiding research & technological plan of the company;

(iii) Guiding Operational Strategy of the company with particular reference to –

a) new product development;

b) new market development;

c) new diversification projects; and

d) technological alliances

(iv) To advise the Board in relation to framing of risk management policy in the Company;

(v) Guide and reviewing the academia industry interface for leveraging basic knowledge in the area of technology;

(vi) Guiding the Company for development of new technologies in the area of product and process including, Intellectual Property Right Management (IPRM);

(vii) Guiding the company to create the Centre of Excellence in R&D for special steels, super alloys and titanium alloys; and

(viii) The Committee shall exercise the powers of the Board and on assessment may reserve agenda items for decision of the Board.

(ix) The Committee is empowered to frame its own guidelines for conducting its meetings.

During the financial year ended on March 31, 2021, no meeting of TC was held. The composition TC is as follows:

Name of Director & Category
Dr. Dinesh Kumar Likhi, Chairman@ Executive Director
Dr. Sanjay Kumar Jha, Chairman# Executive Director
Shri Surendra Sinh#, Member & Independent Director

Head of Research and Development functions as Secretary to the Committee.

@Upon Superannuation, ceased to be Chairman of TC w.e.f. May 1, 2020.

 # Inducted as Chairman of TC w.e.f. May 1, 2020 by virtue of holding Office as Chairman and Managing Director.

& Upon completion of tenure as Independent Director ceased to be Chairman of HRC w.e.f. October 8, 2020.

Post tenure end of Shri Surendra Sinh as Independent Director of the Company from October 8, 2020, the Board of MIDHANI, suspended all its Board level Committees w.e.f November 11, 2020, and business items pertaining to TC were placed at the Board directly.

i) Share Certificate Committee (SCC):

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

During the year no demat, remat & issue of duplicate share certificate request were received.

During the financial year ended on March 31, 2021, no meeting of the SCC was held. The composition of SCC as on March 31, 2021 was as follows:

Name of Director & Category
Dr. Dinesh Kumar Likhi , Chairman @ Executive Director
Dr. Sanjay Kumar Jha, Chairman# Executive Director

@ Upon Superannuation, ceased to be Chairman of TC on April 30, 2020.

 # Inducted as Chairman of SCC w.e.f. May 1, 2020 by virtue of holding Office as Chairman and Managing Director.

Post tenure end of Shri Surendra Sinh as Independent Director of the Company from October 8, 2020, the Board of MIDHANI, suspended all its Board level Committees w.e.f November 11, 2020, and business items pertaining to SCC were placed at the Board directly.

j) Corporate Management Committee (CMC)

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

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

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

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

(i) Review of Production/major Projects and Financial Performance and Marketing Operations;

(ii) Ways and means of improving cash flows in the organization;

(iii) Employee relations / resolving Personnel grievances;

(iv) Systems improvements; and

(v) Improving inter-departmental; inter-functional co-ordination and resolving inter-departmental and intradepartmental bottlenecks, if any.

Annual General Meetings (AGM)

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

Date & Time	44th Annual General Meeting held on September 28, 2018 at 10:30 a.m.	45th Annual General Meeting held on September 25, 2019 at 10:30 a.m.	46th Annual General Meeting held on September 29, 2020 at 11:00 a.m.
Venue	DRDO Auditorium, P.O. Kanchanbagh, Hyderabad- 500058	DRDO Auditorium, P.O. Kanchanbagh, Hyderabad- 500058	Through Video Conferencing - Mishra Dhatu Nigam Limited – P.O. Kanchanbagh Hyderabad - 500058
Special Resolution(s) passed, if any	NIL	• Re-appointment of Shri I.V. Sarma as Independent Director of Company. • Re-appointment of Dr. Jyoti Mukhopadhyay as Independent Director of Company. • Re-appointment of Dr. Usha Ramachandra as Independent Director of Company .	Nil

Extra-ordinary General Meeting (EGM)

During last three years, an EGM was held on October 25, 2017 at Mishra Dhatu Nigam Limited, Corporate Office, P.O. Kanchanbagh, Hyderabad – 500058 for considering following special resolutions:-

- Memorandum and AoA altered by substituting respective capital clause with new capital-Authiorized share Capital of the Company.
- Conversion of the Company from Private Limited Company to a Public Limited Company.
- RoC approval to delete and replace the clause containing Main Objects of Company.

Postal Ballot

During the year ended on March 31, 2021, no resolution was put to vote through Postal Ballot. None of the business proposed to be transacted in the ensuing AGM requires the passing of a Special Resolution by way of Postal Ballot.

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

Related Party Transaction

During the financial year ended on March 31, 2021, all transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI Listing Regulations were in the ordinary course of business and on arm's length terms, and they do not attract the provisions of Section 188 of the Companies Act, 2013.

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

Disclosure of related party transactions as per Ind AS-24, issued by the Institute of Chartered Accountants of India, is given at note no 40 of the Notes forming part of Annual Accounts for FY 2020-21.

Details of Compliance/Non-compliance under SEBI Listing Regulations

During the year ended March 31, 2021, there were no Independent Director on the Board of Company. Consequently, the Board and Committee composition of your Company was not in line with Regulation 17, 18, 19, 20 and 21 of SEBI Listing Regulations. During the year ended March 31, 2021, Stock Exchanges have imposed a cumulative penalty of ₹ 73,36,360/- (all inclusive) on account for non-compliances of Regulation 17,18,19, 20 and 21 of SEBI Listing Regulations. Upon fine waiver request by Company, BSE waived of penalty of ₹ 7,59,920/- for quarter ended on September 2020 and did not impose penalty for quarter ended on December 2020.

During the year under review, the Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clause (b) to (i) of Regulation 46(2) of the SEBI Listing Regulations, as applicable, except Regulation 17, 18, 19, 20 and 21 of SEBI Listing Regulations.

The Independent Directors had the requisite qualifications and experience which enabled them to contribute effectively. Terms and conditions of appointment of Independent Directors are hosted on Company's website *viz.* https://midhani-india.in

The CEO/CFO certificate in terms of Regulation 17(8) of the SEBI Regulations has been placed before the Board. In terms of Part – E of Schedule II of SEBI Listing Regulations, the Company has complied with some of the non-mandatory requirements of the SEBI Listing Regulations on Corporate Governance such as, the Auditors have submitted their Report with unmodified opinion on the Financial Statements for the financial year ended on March 31, 2021 and Internal Auditor of Company, directly reports to Audit Committee of Board.

Training & Evaluation of Directors

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

Presentations are made to the Board members on the Company's performance, Business model, Corporate plan and outlook, on their induction in the Board. In addition, at the Board/ Committee/ other meetings, detailed presentations are made by the senior management personnel/ professionals/ consultants on business related issues, risk assessment, risk policy etc. The directors are encouraged to identify and attend specific training programs to improve their effectiveness. The details of Familiarization Programs are available on the website on the Company viz. http://midhani-india.in/.

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

Other Affirmations

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

During the year under review, all the recommendations made by the committees of the Directors have been accepted by the Board of Directors. During FY 2020-21, no person was denied access to the Audit Committee

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

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

The Administrative and Office Expenses as a percentage of total expenses stood at 2.94% as compared to 4.23% in the previous year and such percentage in respect of financial expenses was 1.98% when compared to 1.08% in the previous year. No extravagancy was found in the Expenditure on the part of the Board Members and Senior Management Personnel.

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

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

Prevention of Sexual Harassment of Women at Work-place

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

Number of Complaints filed during FY21	Number of Complaints disposed of during FY-21	Number of Complaints pending as on end of FY-21
Nil	Nil	Nil

Fee paid to Statutory Auditor during FY 2020-21:

₹ In lakh

Particulars	Amount
Statutory Auditor	8.00
Tax Auditor	1.40
Other Services	0.10
Total	**9.50**

Means of Communication

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

In terms with Regulation 47 of SEBI Listing Regulations, the financial results are published in one English newspapers, having all India circulation, one Hindi newspapers and at least in one local Telugu newspapers within 48 hours of its adoption. The Annual Report of the Company is posted in the website *viz.* https://midhani-india.in. The website of the Company also displays all official news releases & investor presentation.

Policies & Code framed

Policy of Materiality of and of dealing with Related party Transactions

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

Vigilance & Whistle Blower Policy

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

Policy on Material Subsidiaries

Your company does not have any subsidiaries as on March 31, 2021, hence policy on determining material subsidiaries is not yet formulated._

Code of Conduct

The Board of Directors of your Company has formulated a "Code of Business Conduct and Ethics for Board Members and Senior Management" for better Corporate Governance and fair & transparent practices as per Guidelines issued by the Department of Public Enterprises. A copy of the same has been circulated to all concerned and posted on your Company's website. The Board members and senior management personnel to whom the said Code is applicable have affirmed compliance of the same for the year ended March 31, 2021. A declaration to this effect signed by the Chairman & Managing Director of your Company is appended of this Annual Report - **Annexure -IX.**

General Shareholders Information

Forthcoming Annual General Meeting

Date	September 29, 2021
Time	11.00 am.
Venue	Through Video conferencing

Financial Year

April 1 of each year till March 31 of next year.

Dividend Payment date

The final dividend for the year ended March 31, 2021, if approved at the AGM, will be paid on or after September 29, 2021.

Book Closure

Book Closure period for the purpose of AGM and payment of dividend for FY 2020-21 will be from September 23, 2021 to September 29, 2021 (both days inclusive).

Unpaid & Unclaimed Dividend details

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

Further, no unclaimed dividend from previous years is due to be transferred to the IEPF as on March 31, 2021.

Listing of Equity Shares on Stock Exchanges and Stock Codes

Name of Stock Exchange(s)	Scrip code/ Trading Symbol
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	541195
National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C-1, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051	MIDHANI

MIDHANI Equity shares got listed in April, 2018 and per market capitalization on March 31, 2021 MIDHANI falls under category of top 500 listed companies.

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

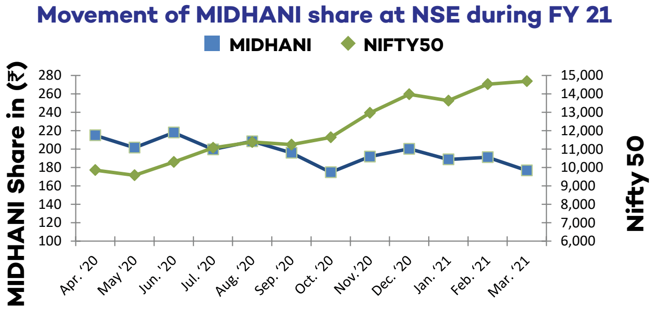
The annual listing fees have been paid to both stock exchanges i.e. BSE & NSE for FY 2021-22.

Market price of shares

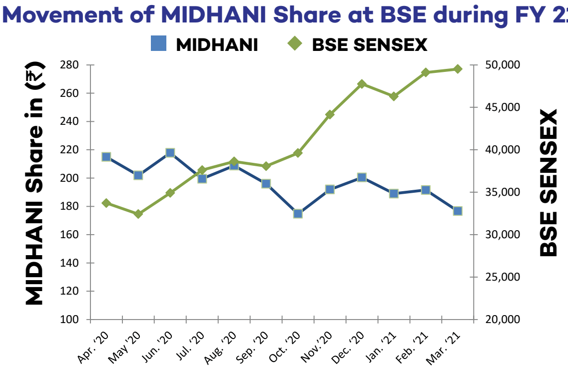
The details of high/low market prices of the shares of the Company during each month of FY 2020-21 at BSE and NSE was as follows :

Month	BSE				NSE			
	MIDHANI		SENSEX		MIDHANI		NIFTY 50	
	High (in ₹)	Low (in ₹)	High	Low	High (in ₹)	Low (in ₹)	High	Low
Apr-20	236.55	171	33887.25	27500.79	236.55	171	9889.05	8055.8
May-20	224.65	188.15	32845.48	29968.45	225	188	9598.85	8806.75
Jun-20	229.9	192.15	35706.55	32348.1	229.9	190	10553.15	9544.35
Jul-20	224	198.1	38617.03	34927.2	223.65	198.25	11341.4	10299.6
Aug-20	236	197	40010.17	36911.23	236	197.1	11794.25	10882.25
Sep-20	215.4	188.3	39359.51	36495.98	215.35	188	11618.1	10790.2
Oct-20	200	172.9	41048.05	38410.2	200.2	172.8	12025.45	11347.05
Nov-20	196.2	173.55	44825.37	39334.92	196.4	173.5	13145.85	11557.4
Dec-20	213.5	186.9	47896.97	44118.1	213.9	183.25	14024.85	12962.8
Jan-21	217	185.6	50184.01	46160.46	218.4	185.1	14753.55	13596.75
Feb-21	198.8	183.35	52516.76	46433.65	198.9	181.25	15431.75	13661.75
Mar-21	205.4	176	51821.84	48236.35	205.5	176	15336.3	14264.4

Movement of MIDHANI share at NSE during FY 21



Movement of MIDHANI Share at BSE during FY 21



Shareholding pattern as on March 31, 2021

Category	No. of shareholders	No. Equity shares held	% of paid up equity share capital
Promoter & Promoter Group (A)	**1**	**13,86,31,600**	**74**
Public Shareholding (B)			
Mutual Funds	10	2,28,31,553	12.19
Alternate Investment Fund	1	18,000	0.01
Foreign Portfolio Investors	28	8,30,762	0.44
Insurance Companies	4	37,25,061	1.99
Bodies Corporate	279	12,85,831	0.69
Non-Resident Indians	1080	6,17,855	0.33
Trusts	4	6,405	-
Clearing Members	113	5,20,689	0.28
HUF	1,788	7,56,050	0.40
Employees	197	98,766	0.05
Individuals	84,115	1,80,17,428	9.62
Total Public Shareholding (B)	**87,619**	**4,87,08,400**	**26**
Total Shareholding (A+B)	**87,620**	**18,73,40,000**	**100**

Distribution of shareholding by size as on March 31, 2021.

No. of equity shares held	No. of shareholders	% of total shareholders	No. of equity shares held	% of paid up equity share capital
Upto 500	81,182	92.65	86,61,077	4.62
501-1000	3,613	4.12	28,62,558	1.53
1001-5000	2,503	2.86	50,56,149	2.70
5001-10000	178	0.20	13,45,691	0.72
10001 & above	144	0.16	16,94,14,525	90.43

Commodity risks or foreign exchange risk and hedging activities

Your Company had no exposure to commodity and commodity risks for the FY 2020-21. Further, your Company does not involve in hedging activities. The Company is exposed to foreign exchange exposures related to procurement of materials and services. These procurements are mostly covered under exchange rate variation clause for reimbursement of exchange rate variations arising out of foreign currency fluctuations. Hence, your Company has no direct exposure on this account.

Dematerialisation of Shares and Liquidity

The Company's shares are admitted into both the depositories i.e. National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'). As on March 31, 2021, the number of equity shares in electronic form and physical form was as follows

No. of shares	% of paid up equity shares	
Demat shares with NSDL	18,02,07,101	96.1925
Demat shares with CDSL	71,32,739	3.8073
Physical shares	160	0.0002
Total no. of shares	**18,73,40,000**	**100**

Outstanding GDRs/ADRs/Warrants

There are no outstanding GDRs/ADRs/ Warrants or any convertible instruments as on March 31, 2021.

Credit Ratings obtained during the year

During the year under review, credit rating agency 'CRISIL Ratings Limited' has affirmed the rating of Commercial Paper at CRISIL A1+.

Details of shares held in Unclaimed Suspense Account

There are no outstanding shares lying in the unclaimed suspense account as on March 31, 2021.

Plant Locations (As on March 31, 2021)

City	Address
Hyderabad	P.O. Kanchanbagh - 500058
Rohtak	Mishra Dhatu Nigam Limited, Plot No. 8 & 13, sector 30 A, IMT Rohtak Haryana- 124001

Details of Compliance Officer / Address for Investor correspondence

Shri Paul Antony Company

Company Secretary & Compliance Officer

Tele: +91-040-24184515

Email: company.secretary@midhani-india.in

Registrar and share transfer agent

Alankit Assignments Limited

4E/2 Jhandewalan Extension,

New Delhi -110 055

Tel: 011-4254 1234 / 2354 1234; Fax: 011- 4254 1201

Email: rta@alankit.com

Share Transfer System

The dematerialized shares of the Company are transferable through the depository system. However, the shares held in physical form are processed by the Registrar & Transfer Agent of the Company in coordination with your Company.

Further, in accordance with the proviso to Regulation 40(1) of the SEBI Listing Regulations, effective from April 1, 2019, transfer of shares of the Company shall not be processed unless the shares are held in the dematerialized form with a depository. As on March 31, 2021, 160 equity shares of the Company were held in physical form.

MANAGEMENT DISCUSSION AND ANALYSIS

1 FORWARD LOOKING STATEMENTS:

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

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

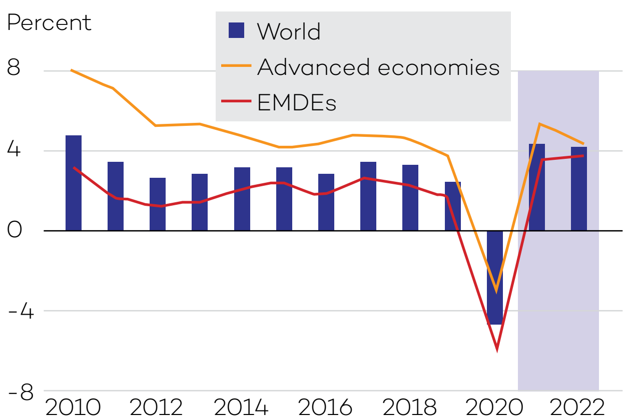
1.3 The following discussions on our financial condition and result of operations should be read together with our audited consolidated financial statements and the notes to these statements included in the annual report.

2 Global Economy

2.1 The pandemic has made this a historic year for the global economy, now beset by a recession the likes of which we haven't seen since the Great Depression. From lockdowns that crippled small businesses and supply chains and put millions out of work, the pandemic has tested the ability of local, national, and multilateral institutions - alongside the capacity of the private sector- to respond, mitigate catastrophic impact, and stimulate an inclusive recovery: one that "builds back better." Although global economic activity is growing again, it is not likely to return to business as usual for the foreseeable future.

2.2 The fall in global investment last year was sharp, particularly for Emerging Market and Developing Economies (EMDEs) excluding China. The 2020 global recession was somewhat less pronounced than previously expected due to shallower contractions in advanced economies and a more robust recovery in China, whereas most other EMDEs experienced deeper recessions. Global activity is forecast to remain well below pre-pandemic projections as the recovery is hampered by the pandemic's lingering effects. In all, the global economy is estimated to have contracted 4.3% in 2020 . In advanced economies, the initial contraction was less severe than anticipated, but the ensuing recovery has been dampened by a substantial resurgence of COVID19 cases.

2.3 Prospects for the global economy are uncertain, and several growth outcomes are possible. Global GDP is expected to expand 4% in 2021, predicated on proper pandemic management and effective vaccination limiting the community spread of COVID-19 in many countries, as well as continued monetary policy accommodation accompanied by diminishing fiscal support. Nonetheless, the level of global GDP in 2021 is forecast to be 5.3% below pre-pandemic projections-or about $4.7 trillion. After this year's pickup, global growth is envisioned to moderate in 2022 to 3.8%-still above its potential pace, but weighed down by lasting damage from Covid-191. By 2022, global GDP is still expected to be 4.4% below pre-pandemic projections-with the gap in EMDEs nearly twice as large as in advanced economies as output remains dampened by lingering risk aversion on the demand side and the effects of diminished physical and human capital accumulation on labor productivity[1].



Global Growth

[1] *A report by World Bank.*

3 Indian Economy Overview:

3.1 In terms of GDP, India is the world's sixth largest economy[2]. As compared to previous year, the economy has contracted by 7.3% in FY 2021[3]. GDP in Q2 2020 was 23.9% below its 2019 level, indicating that nearly a quarter of the country's economic activity was wiped out by the drying up of global demand and the collapse of domestic demand that accompanied the series of strict national lockdowns. As restrictions were gradually lifted, many parts of the economy were able to spring back into action, although output remains well below pre-pandemic levels. An important driver of India's economic recovery thus far has been the agricultural sector, which has been buoyed by a bountiful harvest.

3.2 The various subcomponents of Index of Industrial Production (IIP) and eight-core index have experienced a V-shaped recovery with consistent movement being seen towards the pre-crisis levels. Based on the IIP, the industrial activity contracted by 1.9% in November-2020 recovering from the nadir of (-) 57.3% in April-2020. The broad-based quick revival of the industrial activity stemmed from remedial measures, reforms, and the sizable stimulus package announced by the Government of India (GoI) under the Atmanirbhar Bharat package. It amounted to 15% or equivalent to ₹ 29.87 lakh crores of India's GDP[3].

3.3 A key highlight of the first three quarters of FY 2020-21 has been the re-prioritization of expenditure according to the evolving situation, with an increasing thrust on capital expenditure. The capital expenditure for April to December 2020 was 20.9% higher than the corresponding period in 2019. The total expenditure also recorded a YoY growth of 8.1%[5].

3.4 External debt as a ratio to GDP rose marginally to 21.6% at end-September 2020 from 20.6% at end-March 2020. However, the ratio of foreign exchange reserves to total and short-term debt (original and residual) improved because of the sizable accretion in reserves[9]. On the supply side, Gross Value Added (GVA) growth is pegged at -7.2% in 2020-21 as against 3.9% in FY 2019-209. Agriculture is set to cushion the shock of the Covid-19 pandemic on the Indian economy in 2020-21 with a growth of 3.4%, while industry and services are estimated to contract by 9.6% and 8.8% during the year[9].

4.0 Outlook

4.1 India's GDP is expected to record a growth of 12.5% in FY 2022, making the country the only major economy of the world that would register a double-digit growth in FY 2022 amidst the coronavirus pandemic[6]. The key risks to the recovery are the substance of the latest wave of COVID-19 infections and its spread to additional states, the existing vaccines not being effective enough against new variants of the infection, and a spike in commodity prices to a level that starts to constraint demand. If the trend of increasing infections and localised lockdowns proliferates, it would temper the extent of the base effect-led recovery anticipated in the immediate term and may lead to some supply-side disruptions.

5 High Performance Alloys

5.1 Amid the Covid-19 crisis, the global market for High-Performance Alloys estimated at US$ 7.2 billion in the year 2020, is projected to reach or revised size of US$ 9.9 billion by 2027, growing at a CAGR of 4.7% over the period 2020 - 2027[7].

5.2 The High Performance Alloys market in the U.S. is estimated at US$ 1.8 billion in the year 2020. China, the world's second-largest economy, is forecast to reach a projected market size of US$ 1.7 billion by the year 2027 trailing a CAGR of 6.3% over the period 2020 to 2027. Among the other noteworthy geographic markets are Japan and Canada, each forecast to grow at 3.5% and 3.8% respectively over the period 2020 - 2027. Within Europe, Germany is forecast to grow at approximately 4% CAGR[7].

5.3 In the global refractory alloys segment, USA, Canada, Japan, China and Europe will drive the 3.5% CAGR estimated for this segment. These regional markets accounting for a combined market size of US$ 792.2 million in the year 2020 will reach a projected size of US$ 1 billion by 2027[7]. China will remain among the fastest growing in this cluster of regional markets. Led by countries such as Australia, India and South Korea the market in Asia Pacific is expected to reach US$ 912.3 million by the year 2027[11]. Asia Pacific has a substantial growth and is attributed to the growing automotive industry in the region as well as the increasing government initiatives for industrialization in the emerging countries such as India.

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[2] *As per world bank report*
[3] *As per report by CARE Ratings*
[4] *Economic Survey 2020-21*
[5] *Data released from Controller General of Accounts*
[6] *As per IMF*
[7] *Report by StrategyR Influencer Driven*

6 Defence Manufacturing:

6.1 India has the second largest armed forces in the world with 5th largest defence budget allocation[8]. Defence budget in 2021-22 amounts to US$ 49.6 billion. Government's budget allocation has increased by 7.34% compared to the Budgeted Estimate (BE) of 2020-21 and 0.7% compared to Revised Estimates (RE) of 2020-21.[9] India contributes 3.7% to the total global military expenditure[14].

6.2 Defence Production and Export Promotion Policy 2020 (DPEPP 2020) is aimed at making India a leading country in the global defence and aerospace sectors. India has a target to achieve a turnover of US$ 25 billion with annual export target of US$5 billion by 2025. India's export of military equipment increased from ₹ 1521.86 Cr in FY 2016-17 to ₹ 8,434.83 Cr in the fiscal year 2020-21.[10] DPEPP 2020 policy has the objective to develop a dynamic, robust and competitive Defence industry, including Aerospace and Naval Shipbuilding industry to cater to the needs of Armed forces with quality products.

6.3 Self-reliance in defence has been the cornerstone of India's defence production policy. Its aim is to reduce dependence on imports and take forward 'Make in India' initiatives through domestic design and development. Further to boost 'Make in India', Ministry of Defence (MoD) has signed contract worth ₹ 409 crores with Indian Company for supply of Multi-Mode Hand Grenades to Indian Army[11] . Significant progress in domestic defence production has been made. India's defence production in Defence Public Sector Undertakings (DPSUs) and Ordnance Factory Board (OFB) has progressively increased from ₹ 43,746 crores in 2013-14 to ₹ 56,381 crores in 2019-2015.[15]

6.4 Policy Support and Incentives:

(i) FDI Policy – FDI limit has been raised to 74% from earlier 49% under Automatic Route and up to 100% through Government route.[12]

(ii) Strategic Partnership Policy - Establishment of long-term strategic partnerships between the Indian private sector and global Original Equipment Manufacturers (OEMs)- through a transparent and competitive process- to seek technology transfers which will enable the setting up of domestic manufacturing infrastructure and supply chains

(iii) Defence Offset Policy - The process of Offset implementation has been streamlined. The requirement of prescribing Indian Offset Partners and components for Offset discharge for the entire period of contract, at the time of signing, has been done away with - giving more flexibility to OEMs. The provision of 'Services' for discharge of Offsets has been reinstated based on demands of the industry

(iv) Defence Industrial Corridors - Development of 2 industrial corridors (Tamil Nadu & Uttar Pradesh) dedicated to defence manufacturing.

(v) Industrial License:

a. Reduced entry barriers for new entrants as the new, liberalized regime has scrapped obtaining Industrial Licensing for the majority of components/parts/sub-systems for defence manufacturing.

b. In order to ensure continued manufacturing of defence and aerospace products, validity of licenses has been increased from 3 to 15 years.

(vi) Innovations for Defence Excellence (iDEX):

a. As the execution arm of Defence Innovation Organisation, iDEX aims to set up Defence Innovation Hubs across the country - to develop an ecosystem that will foster innovation and technology development in the Aerospace & Defence sector by engaging industries including MSMEs, startups, Individual Inovators, R&D institutes and academia.

(vii) The Defence India Startup Challenge is an initiative by the Defence Innovation Organization in partnership with Atal Innovation Mission. It aims to support Startups/MSMEs/ Innovators in creating prototypes and/or commercialising products/solutions in the arena of National Defence and Security.

(viii) Ministry of Defence has declared 101 negative list of imports of weapons / platforms in order to provide impetus to self-reliance through incentivising local manufacturing as a part of Atmanirbhar Bharat[13]. It is notified that there would be an interim embargo on import of the items mentioned in the list .

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[8] https://www.investindia.gov.in/sector/defence-manufacturing
[9] https://static.investindia.gov.in/s3fs-public/2021-02/Union%20Budget%202021%20-%20Key%20amendments%20impacting%20Defence%20Sector_0.pdf
[10] As per Ministry of Defence's Department of Defence Production dashboard
[11] https://pib.gov.in/PressReleasePage.aspx?PRID=1660688
[12] Minister of Commerce and Industry
[13] https://www.mod.gov.in/sites/default/files/atm040920.pdf

7 Indian Aerospace Industry:

7.1 The Indian aerospace industry is one of the fastest growing sectors. India is already a large commercial and defence aircraft market. With rising passenger traffic and increasing military and defence expenditures, the demand for aircrafts is expected to increase further. Several factors driving growth in manufacturing in Indian aerospace industry are rapidly growing domestic aircraft demand, the liberalization of civil aviation policies, offset requirements, a strong domestic manufacturing base, cost advantages, a well-educated talent pool, the ability to leverage IT competitiveness and a liberal Special Economic Zones law that provides attractive fiscal benefits for developers and manufacturers.

7.2 The Aerospace and Defence (A&D) market in India is estimated to reach around $70 billion by 2030[14]. FDI inflows of over ₹ 3,454 crores have been reported so far (i.e. till June, 2020) in Defence and Aerospace sectors[15]. Indian aerospace and defence market is anticipated to reach more than USD 23 billion by 2024[16].

7.3 The Indian civil aviation market is one of the fastest-growing markets in the world. It has travellers increasing at 20% every year. The growth is expected to continue with the plan of investments of about USD 1.83 billion in the development of airport infrastructure by 2026[20]. There are enormous opportunities for foreign investments. Many global Aerospace and Defence companies are looking at India as a potential low-cost manufacturing destination and a high potential market.

8 Energy Sector:

8.1 The oil and gas sector plays a vital role in influencing decision making for all the other important sections of the economy as it is among the eight core industries in India. The need for oil and gas is projected to grow more in the near future, thereby making the sector quite conducive for investment.

8.2 India is the 3rd largest energy and oil consumer in the world after China and the US. The refining capacity of India stood at 249 MMTPA with 23 refineries, making it the second largest refiner in Asia[17]. India has emerged as a refinery hub and plans to increase refining capacity to 400 MMTPA by 2025[21].

8.3 In 2020, about 16,788 km natural gas pipeline is operational and about 12,672 km gas pipelines are under development.[18] Production of petroleum products by fractionators was 3200.43 TMT by December 2020.[19]

8.4 India is the 4th largest importer of liquefied natural gas (LNG). India's LNG imports stood at 33.68 billion cubic meters (bcm) during FY 2020.[20] In 2020, about 16,788 km natural gas pipeline is operational and about 12,672 km gas pipelines are under development[21]. By the end of the 13th Five Year Plan (FY22), the natural gas pipeline network is expected to cover 29,442 km[21]. Total installed capacity of power stations in India stood at 382.15 GW as of November 2020. Electricity production reached 1,252.61 billion units (BU) in FY20.[21]

9 Super Alloys:

9.1 Super alloys are complex, high-performance alloys, which have a high tolerance of oxidising environments and high temperatures. The global super alloys market size is expected to be $9.2 billion by 2027. The market is projected to experience growth at a CAGR of 8.7% from 2020 to 2027[22]. In terms of revenue, India is projected to grow CAGR of approximately 9.7% from 2020 to 2027. There has been a rise in utilization of super alloys in aerospace, oil & gas, automotive, and other industries. As it facilitates improved operating efficiency and reduced environmental emissions. The demand for super alloys is primarily driven by the aerospace industry. Aerospace Super alloys market size valued at USD 1.98 billion in 2020 and will grow at a CAGR of 9.2% from 2021 to 2027[23].

10 Titanium:

10.1 Titanium has application in various industries such as automotive, construction and aerospace. Their low thermal expansion and co-efficient fire resistance properties escalate the market demand hugely. Globally Titanium Market size is forecast to reach $7,608 million by 2025. It is expected to register a CAGR of over 3.5% from 2021 to 2026[24].

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[14] *Article by M M India*
[15] *https://pib.gov.in/PressReleasePage.aspx?PRID=1654091#:~:text=As%20per%20the%20data%20furnished,in%20Defence%20and%20Aerospace%20sectors.&text=The%20proposals%20for%20raising%20FDI,be%20considered%20with%20Government%20approval.*
[16] *Report by Maier Vidorno*
[17] *Ministry of Petroleum and Natural Gas*
[18] *https://www.investindia.gov.in/sector/oil-gas*
[19] *https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1690790*
[20] *https://dare2compete.com/bites/oil-and-gas*
[21] *https://cea.nic.in/dashboard/?lang=en*
[22] *Research report by Allied market research*
[23] *Research report by Global market insights.*
[24] *Research report by Mordor Intelligence*

10.2 Titanium alloys exhibit a unique combination of mechanical and physical properties, which make them desirable for certain critical applications across industries. The increasing production of new aircrafts and defence products and increasing population using passenger aircrafts are driving the demand for titanium in aerospace segment. Due to its non-toxic nature it is used for surgical implants in hip-joints, bone-plates, and cardiac valve prostheses and makes it safe to examine for MRIs. Also, the growing application in biomedical engineering is urging a strong demand for titanium. Titanium alloy is lighter in weight than other alloys, such as iron, steel, etc., which serves as an advantage in replacing specific automotive components, further driving the demand.

11 Speciality steels

Alloy steels are produced by combining carbon steel with one or several alloying elements, such as manganese, silicon, nickel, titanium, copper, chromium and aluminium. These elements are added according to the desired physical properties such as increase in hardness, corrosion resistance, strength, ductility and the weld ability. The global Alloy Steel market size is projected to reach 1,51,810 US$ million by 2026 from 1,38,830 US$ million in 2020, growing at a CAGR of 1.5% from 2020 to 2026[25].

12 Key Strategies and Initiatives:

Our Strategies	Our Plans	Key initiatives
Growth and modernization	Seeks growth (through both greenfield and brownfield) based on the development of technology for customers and product ● Aim for geographical expansion of the Company and to operate from multiple locations ● In process of setting up two new manufacturing facilities in Rohtak and Nellore ● Seek to enter into the new markets of oil and gas, mining, power, railways, chemical and fertilizers	Capital expenditure for modernization and growth of about ₹ 15825.79 Lakh. Aluminium Alloy Plant – MIDHANI-NALCO Joint Venture; Utkarsha Aluminium Dhatu Nigam Limited is being set up. The company proposes to manufacture High end Aluminium Alloy at Nellore, Andhra Pradesh
Increased focus on research and development	Entered into collaborations with Indian and international research institutions and organizations to gain access to the required know-how for developing certain key advanced technology products ● Aims for forward and backward integration by manufacturing components/ value added products	35 IPRs has been filed during the year and two patents have been granted to MIDHANI during the year. New products have been developed for Aero Space, Navy and Energy Sectors.
Strengthen Human capital	Intends to continue to focus on improving health, safety and environment for the employees and provide various programs and benefits for their wellbeing and skill-enhancement ● Intends to develop entrepreneurship skills and further strengthen the workforce through more comprehensive training programs, creating a core of skilled workers for future growth by providing them with a conducive, safer and healthier working environment	

13 SWOT Analysis:

Strengths:	Weakness:
● Capability to manufacture a wide range of advanced materials. ● Strong Research & Development capability to indigenously develop customized products/ alloys for programs of national importance. ● Rich experience gained over 45 years of operation and maintenance of high technology equipments, processes and systems. ● Unique and complex quality control practice to deliver superior quality of products	● In select products, lack of economies of scale makes products non-competitive at global level. ● Dependence on orders from Government Sector ● Lack of technology and infrastructure for developing finished components using own materials which leads to reduced value addition. ● Limited control over sales realization.
Opportunities:	**Threats:**
● Demand for special alloys and steel is increasing. ● Government initiatives like "Make in India", Indigenization, Make II etc. allowing Indian organizations to penetrate existing markets within the country and abroad. ● Opportunity for long-term tie-ups in the form of Joint ventures and strategic alliances etc. ● Diversification opportunities exist in strategic materials.	● High volatile prices of some of the critical imported raw materials coupled with their restricted availability. ● Risk of obsolescence in technology, processes and products-metals being replaced with composites/ materials. ● Change in Government Policies. Competition from private sector in India and abroad

[25] *Research article by WBOC*

14 Review of our operations:

14.1 We are a modern and integrated metallurgical plant for manufacturing a wide spectrum of critical alloys in variety of forms such as ingots, forged bars, rings hot rolled sheets and bars, cold rolled sheets, strips and foils, wires, castings, fasteners and tubes using state of the art production facilities for defence, space, aeronautics, power and thermal power, electronics, tele-communications and engineering industries and other sectors in India.

14.2 We are manufacturers of High Performance Alloys, special steels and stainless steels, Super alloys (nickel base, iron base and cobalt base), commercially pure titanium and titanium alloys, soft magnetic alloys, controlled expansion alloys, heat resistance alloys, special purpose alloys, refractory metals and other alloys in different shapes, properties and sizes. We have process capabilities across the product manufacturing value chain, including melting, forging, rolling, wire drawing, investment casting, machining and quality testing.

14.3 Our Company is the only facility in India to carry out vacuum based melting and refining through world class vacuum melting furnace such as vacuum induction melting, vacuum arc re-melting, vacuum degassing/ vacuum oxygen decarburisation, electro slag re-melting and electron- beam melting. It enables our Company to venture into new markets with innovative and advanced products. The wide spectrum of advanced melting facilities enables us the flexibility to provide our customers with high quality products which meet their stringent quality requirements. Our value chain is supported and strengthened by our strong financials, human resources and logistics.

15 Our Manufacturing Locations:

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

Rohtak Plant: At Rohtak plant, Armour products will be manufactured.

16 Manufacturing facilities:

The manufacturing facilities at MIDHANI include Primary and Secondary melting furnaces such as Electric Arc Furnace with Ladle Refining Furnace, Vacuum Degassing/ Vacuum Oxygen Decarburisation, Vacuum Induction Melting Furnace, Vacuum Induction Refining Furnace, Vacuum Arc Re-Melting Furnace, Electro Slag Re-Melting Furnace and Electron Beam Melting Furnace. Subsequent operations are carried out at 6000T/1500T Forge Presses, Ring Rolling Mill, Hot Rolling and Cold Rolling Mills, Bar and Wire Drawing Mills etc. based on the output, form and sizes required. The auxiliary supporting services like conditioning, heat treatment, machining, pickling, quality control also form part of our manufacturing processes.

17 Our Products:

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

18 Key Raw Materials:

The primary raw materials used by our Company for manufacturing various products are: (a) Nickel metal; (b) Cobalt metal; (c) Various Master Alloys; (d) Pure Iron; (e) Titanium sponge; (f) Chromium metal; (g) Mild Steel scrap/ Stainless Steel scrap; (h) High Carbon/ Low Carbon Ferro Chrome; (i) Aluminium metal; (j) Manganese Metal; and (k) Various Ferro alloys.

19 Research & Development:

We seek to achieve growth through the design, development, production, sale and support of innovative products that incorporate advanced technologies. The product requirements of our customers changes and evolve regularly, and we invest substantial amounts in research and development efforts to pursue advancements in a wide range of technologies and products

Our in-house research and development team works towards improvement of product quality and processes innovation. We place strong emphasis on research and development to enhance our product range and improving our manufacturing processes. We have a dedicated Technology Advisory Board which guides us to the required technology for the development of new products.

By utilizing in-house research and development capabilities, MIDHANI has indigenized various critical technologies, alloys and products. This reduced dependence on imports of various critical materials. MIDHANI has been handling challenging developmental tasks, taking a lead position in indigenization of critical technologies and products to render support to several programmes of national importance.

20 FINANCIAL PERFORMANCE

20.1 The Summarized financial position for the FY 2020-21 and for the two preceding Financial Years is given below:

(Figures in ₹ Lakh)

Particulars	31-Mar-21	31-Mar-20	31-Mar-19
ASSETS:			
Non-current assets			
Property, Plant and Equipment	42785.85	43,970.52	42,367.02
Capital work-in-progress	54874.46	40,482.01	17,504.70
Intangible assets	105.72	104.11	127.67
Financial Assets			
(i) Investments	2210.11	2,210.11	210.11
(ii) Loans	35.60	64.85	-
Non-current tax assets (Net)	553.82	543.63	1,065.17
Other non-current assets	396.93	999.69	4,620.72
Total Non-Current Assets (1)	**100,962.49**	**88,374.92**	**65,895.39**
Current assets:			
Inventories	80,083.79	91,050.37	50,883.65
Financial Assets			
(i) Trade receivables	38,613.55	29,739.51	35,224.32
(ii) Cash and cash equivalents	9394.67	11,089.67	19,799.55
(iii) Other financial assets	855.22	1,335.36	1,148.49
Other current assets	16,161.97	18,208.54	9,515.52
Total Current Assets (2)	**145109.20**	**1,51,423.45**	**1,16,571.53**
Total Assets (1+2)	**246071.69**	**2,39,798.37**	**1,82,466.92**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	18,734.00	18,734.00	18,734.00
Other Equity	88,529.11	77,104.66	64,736.91
Total Equity (1)	**107263.11**	**95,838.66**	**83,470.91**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	-	18.41	57.06
(ii) Other Financial Liabilities	39461.20	32,597.80	15,609.81
Provisions	136.67	125.18	108.99
Deferred tax liabilities (net)	3377.37	3,123.40	3,980.00
Other non-current liabilities	31572.08	38,409.92	25,889.86
Total Non-current liabilities (2)	**74,547.32**	**74,274.71**	**45,645.72**
Current Liabilities			
Financial liabilities			
(i) Borrowings	16043.55	13,344.23	10,608.61
(ii) Trade payables	8556.71	12,889.84	12,840.40
(iii) Other financial liabilities	5744.96	4,418.10	6,293.42
Other current liabilities	29475.99	35,992.01	21,530.03
Provisions	4440.05	3,040.82	2,077.83
Total Current Liabilities (3)	**64261.26**	**69,685.00**	**53,350.29**
Total Equity and Liabilities (1+2+3)	**246071.69**	**2,39,798.37**	**1,82,466.92**
Working Capital	80847.94	81,738.45	63,221.24
Capital Employed	123739.51	1,25,813.08	1,05,715.93
Net Worth	107263.11	95,838.66	83,470.91
Net worth per rupee of paid up capital (₹)	5.73	5.12	4.46

21 MOU 2020-21 PERFORMANCE AND WORKING RESULTS:

21.1 The company is expected to achieve "Very Good" MoU rating subject to evaluation by Department of Public Enterprise (DPE) against the overall Financial and Operational performance for the FY 2020-21.

21.2 The significant highlights of the performance for the 2020-21 and comparison with the previous two years is as under:

(Figures in ₹ Lakh)

S. No.	Particulars	2020-21	2019-20	2018-19
1	Sales - To Customers	81,323.08	71,287.57	71,084.62
	Sales – Export	1,942.47	1,042.04	805.32
2	Value of Production	77,164.22	97,010.91	81,438.22
3	Cash Profit (Excl prior period items)	25,308.92	22,820.06	21,424.26
4	Profit Before Tax	22,609.39	20,208.62	19,104.78
5	Net Profit (PAT)	16,629.15	15,973.38	13,055.69
6	Value Added	60,157.17	59,350.32	52,206.95
7	Value added per employee	78.84	75.51	66.00
8	Productivity per employee	101.40	123.42	103.01
9	Value added per direct worker	195.32	194.59	171.17
10	Paid up Capital	18,734.00	18,734.00	18,734.00
11	No of Employees	761	786	791

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

(Figures in Percentage % unless specified)

S. No	Particulars	2020-21	2019-20	2018-19
A.	**Current Ratio**	2.26	2.17	2.19
B	**Profitability Ratios**			
a)	Profit Before Tax to			
	i) Capital Employed (%)	18.27	16.06	18.07
	ii) Net worth (%)	21.08	21.09	22.89
	iii) Sales (%)	27.80	28.35	26.88
b)	Profit After Tax to Equity (%)	88.76	85.26	69.69
c)	Earnings Per Share (in Rupees)	8.88	8.53	6.97

23 The other Key Financial Ratios are as under:

S.No.	Particulars	FY 2020-21	FY 2019-20	Change in % as compared to FY 2019-20	Detailed explanation for change of 25% or more
1.	Debtors Turnover	2.38	2.19	8.68	-
2.	Inventory Turnover	0.69	0.74	-6.76	-
3.	Interest Coverage	22.10	35.16	-37.14	Due to higher Finance cost, for meeting up Working Capital requirement
4.	Current Ratio	2.26	2.17	4.15	-
5.	Debt Equity Ratio	0.15	0.14	7.14	-
6.	Operating Profit Margin (%)	25.36	23.24	9.12	-
7.	Net Profit Margin (%)	20.45	22.41	-8.75	-
8.	Return on Networth	16.38	17.82	-8.08	-

24 Amount available for Appropriation:

The amount available for appropriation is ₹ 16,629.15 Lakh as against ₹ 15,973.38 Lakh in the previous year.

25 Risks and Risk Analysis:

Risk Type	Risk Definition	Risk Probability	Risk Impact	Risk Mitigation
Macro-Economic Risks	Risk related to global/ national economic growth disturbances, political, policy or civic unrest	M/L	H	
Market Risks	Customer portfolio of MIDHANI comprises more of government / government related organisations. Change in government priorities may affect the existing or proposed strategic programmes.	M/L	H	MIDHANI is diversifying its customer portfolio by targeting sectors like Oil & gas, Power, Engineering etc. Also, machine tool, bearings and Industrial Valve steels are being considered with forward integration into end products/components line Compression Springs, Armoured products etc.
Competition Risks	Competition from private players and imports which may, in some cases, be cheaper	M/L	M/H	MIDHANI is focusing on better customer service by way of regular workshops/ meetings with customers by Directors of the company. Also, faster & effective job execution is being focused upon.
People Risk	Manpower risk, Labour issues, any inability to recruit skilled manpower	M/L	M/L	
Epidemic and Pandemic Risk	Pandemics like Covid 19	L	M/H	
Policy Risks	Govt policy related risk – level playing field to private sector etc	M/H	L/M	
Manufacturing Risks	Any inability to carry out the manufacturing activities, technology upgradation and incur capex at the appropriate time.	L/M	M/H	
Raw Material Risks	MIDHANI manufactures & supplies materials / products for high performance applications which need critical raw materials as input. Raw materials like Nickel, Cobalt, Molybdenum are imported and sometimes due to business environment availability & price is a challenge.	L/M	M/H	Raw material procurement at MIDHANI is closely monitored by Directors of the Company. Efforts have been taken to procure majority of materials during favourable forex rate. Further, we also undertake bulk procurement of critical raw material in view of anticipated orders. We maintain a reverse auction for all e-procurement above ₹ 10 Lakh.
Environment Risk	MIDHANI inability to maintain its environmental footprint below the prescribed level might have adverse impact on the company's reputation and brand value.	L	L	

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

26 HUMAN RESOURCE DEVELOPMENT:

26.1 The permanent manpower strength of MIDHANI as on 31.03.2021 is 761 employees including 36 employees (5 Executives and 31 Non-Executives cadre) recruited during FY2021. The average age of the employees is 40.9 years. With the current workforce the company is rightly poised to undertake complex tasks and to uphold industry-leading quality standards while catering to the customer demands. Rational distribution of human skills among functional areas like administration, finance, production and marketing continue to be the key focus to increase performance efficiency and for seamless inter departmental communications and collaboration.

26.2 During the year under review, Training & Development Department (T&D), achieved 1362 man days. Around 24 Internal and External Training Programs (Internal- 10 and External -14) were conducted for all Regular employees and Contract workmen covering 1362 man days in total.

26.3 As per the directions of Central Vigilance Commission (CVC) and Ministry of Defence (MoD), two week In-House Mid-Career Training Program (MCTP) has been organized by MIDHANI including two days module on Preventive Vigilance and one day Field visit (outbound training program to Forensic laboratory) for 68 Middle level Managers in two batches, with the objective that to become more confident about their roles and responsibilities, to gain knowledge and make them better executives in the decision making process. The program was highly fruitful and well appreciated by participants and Management.

27 INTERNAL CONTROL :

27.1 The Company has an effective system of internal controls corresponding with its size, nature of business and complexity of operations. The internal control mechanism comprises of a well-defined organizational structure with clearly defined authority and responsibility levels and comprehensive documented policies, guidelines and procedures governing the operations of respective business areas and functions. These controls have been designed to safeguard the assets and interests of the Company and its stakeholders and also ensure compliance with Company's policies, procedures and applicable regulations. Owing to continuously evolving business practices, these controls are regularly updated by the management.

27.2 The internal control system is supplemented by an extensive program of internal audits and their reviews by the management. The in-house internal audit function supported by professional external audit firms conducts comprehensive risk focused audits and evaluates the effectiveness of the internal control structure on a regular basis.

ANNEXURE - I

DIVIDEND DISTRIBUTION POLICY

1. PREAMBLE

1.1. The shares of MIDHANI are listed on BSE Limited and National Stock Exchange of India Limited. As per Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") the top five hundred listed entities based on market capitalization (calculated as on March 31st of every year) need to formulate a dividend distribution policy which shall be disclosed in the company's Annual Report and on its website.

1.2. This policy lays down the general parameters for considering and deciding the distribution of dividend to the Company's shareholders and/or retaining of earnings for sustained growth.

2. POLICY FRAME WORK

2.1. MIDHANI being a Central Public Sector Enterprise (CPSE) follows the guidelines on Capital Restructuring issued by Department of Investment and Public Asset Management (DIPAM) vide F. No. 5/2/2016- Policy dated 27th May, 2016.

2.2. The Policy will be implemented by the Company keeping in view the provisions of the SEBI LODR Regulations, the Companies Act 2013 (Act) and also taking into consideration guidelines issued by Securities and Exchange Board of India (SEBI), Department of Public Enterprises (DPE), (DIPAM), Ministry of Defence and other guidelines to the extent applicable to the Company.

3. NON-APPLICABILITY

The policy shall not apply to:

a) Distribution of dividend in kind i.e. by issue of fully or partly paid bonus shares or other securities, subject to applicable law;

b) Distribution of cash as an alternative to payment of dividend through Buyback of equity shares.

4. PARAMETERS CONSIDERED WHILE DECLARING DIVIDEND

4.1. In pursuance of Section 123 of the Act, no dividend shall be declared or paid by the Company for any financial year except out of the profits of the Company for that year or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation.

4.2. Interim dividend will be based on profits of the current year as per unaudited results after providing for depreciation in accordance with law and management estimates of profits for financial year.

4.3. The quantum of dividend declared by the Company would depend upon following external and internal factors :-

a) The external factors that shall impact the decision to pay dividend will inter-alia include economic environment, market conditions expectation of shareholders, statutory requirements and Government directives as may be applicable from time to time.

b) The internal factors that shall be considered for dividend will be profitability of the Company, its net worth, its requirement for funds for its Capital Expenditure towards renewals & replacement/ up-gradation / R&D and expansion (CAPEX), and any other factors as may be identified by the Board that impact the decision to declare dividend.

4.4. The Company may endeavor to pay minimum annual dividend as per guidelines issued by DIPAM, subject to maximum dividend permitted under the extant legal provisions.

5. UTILISATION OF RETAINED EARNINGS

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

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

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

a) In the event of inadequacy of profits or whenever the Company has incurred losses;

b) Whenever the Company undertakes or proposes to undertake significant capital expenditure that impact the retained earnings of the Company substantially;

c) Whenever the Company proposes to utilise the surplus cash for buyback of securities; and

d) Any other circumstance/instance which the Board of Directors may consider relevant to the dividend declaration decisions.

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

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

8. INTERPRETATION & AMENDMENTS

8.1. Any term which is used in policy and not defined shall have the same meaning as defined under the Companies Act, 2013, SEBI LODR Regulations and any other applicable statutory regulations/guidelines.

8.2. The Board of Directors may review, amend and modify the Policy at any point of time as it may deem necessary and /or as may be required from time to time in accordance with subsequent amendments in Act, Companies Rules, Circulars, Notifications, SEBI LODR Regulations, relevant guidelines of DPE, DIPAM, Ministry of Defence as also other guidelines to the extent applicable to the Company from time to time.

ANNEXURE - II

MANPOWER POSITION AS ON 31.3.2021

Pay Scale & Group	Total no. of Employees	SCs	STs	OBC	PwD	Ex-Ser. men
EXECUTIVES **Group – A** ₹ 40000-140000 & above	246	43	14	60	06	04
Group – B ₹ 30000 - 120000 (Grade-I) ₹ 29000 – 115000 (E.O.) to ₹ 50000 – 160000 (EO-III) (Non-Unionized Supervisory Cadre)	45	05	06	12	03	02
NON-EXECUTIVES: **Group – C** ₹ 28950/- ₹ 28790/- ₹ 27810/- ₹ 26830/- ₹ 25900/- ₹ 25230/- ₹ 23750/- ₹ 22950/- ₹ 21900/-	264	52	31	108	05	15
Group – D ₹ 21000/- ₹ 20000/- ₹ 19130/- ₹ 18000/-	206	35	14	98	06	2

Note: Excluding Directors

RECRUITMENT OF SCs, STs DURING FY 2020-21

Pay Scales & Group	Total recruited during the year	No. of posts reserved		No. of candidates appointed	
		SC	ST	SC	ST
EXECUTIVES **Group – A** ₹ 40000-140000 & above	4	-	-	-	-
Group – B ₹ 30000 - 120000(Grade-I) ₹ 29000 – 115000 (E.O.) to ₹ 50000 – 160000(EO-III) (Non-Unionized Supervisory Cadre)	1	-	-	-	-
NON-EXECUTIVES: **Group – C** ₹ 28950/- ₹ 28790/- ₹ 27810/- ₹ 26830/- ₹ 25900/- ₹ 25230/- ₹ 23750/- ₹ 22950/- ₹ 21900/-	16	4	1	4	1
Group – D ₹ 21000/- ₹ 20000/- ₹ 19130/- ₹ 18000/-	15	1	0	3*	1#

* Out of 3, '2' SC candidates were appointed against Unreserved category.

'1' ST candidate was appointed against Unreserved category.

ANNEXURE - III

ANNUAL REPORT ON CSR ACTIVITIES FOR FY 2020-21

1.	**Brief outline on CSR Policy of the Company:**	Refer Section: Corporate Social Responsibility (CSR) in the Board's Report on Page no....
2.	**Composition of CSR Committee@:**	As on March 31, 2021, there were no Independent Directors on the Board of Company. Hence, the CSR Committee stands suspended, all agenda items related to CSR were put up to Board during FY 2020-21.

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Dr. Sanjay Kumar Jha	Chairman & Managing Director	1	1
2.	Shri Surendra Sinh@	Independent Director	1	1
3.	Shri Sanjay Jaju	Govt. Nominee Director	1	1

@Shri Surendra Sinh, cease to be Independent Director of the Company w.e.f. October 8, 2020, upon completion of tenure and CSR Committee was suspended w.e.f. November 11, 2020.

3.	**Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**	The CSR policy and CSR projects undertaken by MIDHANI can be viewed at http://midhani-india.in under CSR tab.
4.	**Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):**	Not applicable for the financial year under review.
5.	**Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:**	

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set- off for the financial year, if any (in ₹)
1.	2017-18	2.25 Lakh	-
2.	2018-19	28.6 Lakh	-
3.	2019-20	10.99 Lakh	-
	Total	**41.84 Lakh**	**-**

6.	**Average net profit of the company as per section135(5):**	₹ 19,601.73 Lakh
7.	**a) Two percent of average net profit of the company as per section135(5):**	₹ 392.03 Lakh
	b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:	-
	c) Amount required to be setoff or the financial year, if any.	-
	d) Total CSR obligation for the financial year (7a+7b- 7c):	₹ 392.03 Lakh
8.	**a) CSR amount spent or unspent for the financial year:**	

Total Amount Spent for the FinancialYear (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount (in ₹)	Date of transfer	Name of the Fund	Amount	Date of transfer
3,50,92,026	42,00,000/-	26/04/2021	NA	NA	NA

b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred toUnspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation-Direct (Yes/No).	Mode of Implementation – ThroughImp-lementing Agency	
				State	District						Name	CSR registration number
1.	MIDHANI Charitable Health Center	Promoting Health Care	Yes	Telanagana	Hyderabad	Recurring	6,13,461	6,13,461	Nil	Yes	NA	NA
2.	Balance payment towards installation of passage lift for Rangaraya Medical College, Kakinada	Promoting Health Care	No	Andhra Pradesh	Kakinada, East Godavari	One year	10,00,000	2,45,000	Nil	No	Principal Rangaraya Medical College	NA
3.	Balance payment towards completion of public toilet construction	Promoting Health & sanitation	Yes	Telanagana	Hyderabad	Six months	19,96,091	99,806	Nil	No	Sulabh International Social Service Organization	NA
4.	Balance payment towards completion of renovation works at ZPHS Jillelaguda Shool Toilet	Promoting Health & sanitation	Yes	Telanagana	Hyderabad	Six months	10,16,893	5,08,446	Nil	No	Sulabh International Social Service Organization	NA
5.	Balance payment towards Construction of Toilets at Govt Schools of Kothagudem(Aspirational District) – HS Cherla(EM & TM) & ZPSS Narsapuram	Promoting Health & sanitation	Yes	Telanagana	Badradri-Kothagudem	Six months	25,56,286	12,78,143	Nil	No	Sulabh International Social Service Organization	NA
6.	Annual Maintenance of Public Toilet	Promoting Health & sanitation	Yes	Telanagana	Hyderabad	Annual	1,75,000	1,75,000	Nil	No	Sulabh International Social Service Organization	NA

7.	Sponsoring of Free Education to SC/ST Children in BPDAV School	Promoting Education	Yes	Telanagana	Hyderabad	Annual	1,24,320	1,24,320	Nil	Yes	Principal BDPAV School	NA
8.	MIDHANI Primary Health Care Centre - Infrastructure/equipment	Promoting Health Care	Yes	Telanagana	Hyderabad	One year	167,83,000/- (For complete project)	24,26,765	42,00,000	Yes	MIDHANI	NA
9..	Stipend to Apprentices	Skill Development	Yes	Telangana	Hyderabad	Recurring	32,91,657	32,91,657	Nil	Yes	MIDHANI	NA
	Total						**2,66,56,708**	**87,62,598**	**42,00,000**			

c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act.**	**Local area (Yes/No).**	**Location of the project.**		**Amount spent for the project (in ₹).**	**Mode of implementation- Direct (Yes/No).**	**Mode of implementation – Through implementing agency.**	
				State	**District**			**Name**	**CSR registration number**
1.	Construction of Toilet blocks- 4 nos in BPDAV School	Promoting Health & sanitation	Yes	Telangana	Hyderabad	42,49,540	No	Sulabh International Social Service Organization	Not applicable
2.	Sponsored Four Wheeler Vehicle for carrying food & Food Kits -550 nos to School Children in Kothagudem	Promoting Health & Nutrition	Yes	Telangana	Hyderabad	20,00,000	No	Akshaya Patra	Not Applicable
3.	Food Kits through Akshaya Patra for migrant workers	Promoting Health & Nutrition	Yes	Telangana	Hyderabad	11,25,000	No	Akshaya Patra	Not Applicable
4.	Contribution to PM Cares fund	Promoting Health Care	No	Across all states of India	NA	50,00,000	Yes	MIDHANI	Not Applicable
5.	Sponsored Digital Classrooms to BPDAV School – 25 nos	Promoting Education	Yes	Telangana	Hyderabad	82,38,828	Yes	MIDHANI	Not Applicable
6.	Electrical works in BPDAV school for installation of Digital Display Panels	Promoting Education	Yes	Telangana	Hyderabad	67,193	Yes	MIDHANI	Not Applicable

7.	Construction to iDex partner – Bharat Forge	Technology Incubation	No	Not applicable	Not Applicable	40,00,000	Yes	MIDHANI	Not Applicable
8.	Sponsored Drinking Water Coolers – 8 nos to BPDAV School	Promoting Health Care	Yes	Telangana	Hyderabad	3,53,500	Yes	MIDHANI	Not Applicable
9.	Sponsored Umbrellas for DHQ Security		No	Delhi		43,680	Yes	MIDHANI	Not Applicable
	Total					**2,50,77,741**			

d)	Amount spent in Administrative Overheads	12,51,687
e)	Amount spent on Impact Assessment, if applicable	Nil
f)	Total amount spent for the FinancialYear (8b+8c+8d+8e)	3,50,92,026
g)	Excess amount for set off, ifany	Not applicable

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	392.03 Lakhs
(ii)	Total amount spent for the Financial Year	350.92 Lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-41.11 Lakhs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-41.11 Lakhs

9. a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No	Preceding Financial Year.	Amount transferred to UnspentCSR Account underSection 135 (6) (in ₹)	Amount spent inthe Reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer.	
1.	2019-20	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
2.	2018-19	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
3.	2017-18	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Total						

b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No	**Project ID.**	**Name of the Project.**	**Financial Year in which the project was commenced.**	**Project duration.**	**Total amount allocated for the project (in ₹)**	**Amount spent on the project in the reporting Financial Year (in ₹)**	**Cumulative amount spent at the end of reporting Financial Year. (in ₹)**	**Status of the project - Completed/Ongoing.**
1.	NA	MIDHANI Charitable Health Center	2017-18	Recurring	Annual expenditure of ₹ 5,00,000/- or actuals	6,13,461	15,54,927	Ongoing
2.	NA	Sponsoring Free Education to SC/ST children in BPDAV School	2019-20	Recurring	Annual expenditure of ₹ 1,24,320 or actuals	1,24,320	2,48,640	Ongoing
3.	NA	Annual maintenance of Toilets sponsored by MIDHANI in schools	Since 2013-14	Recurring	Actuals	Nil(Due to COVID-19 schools are temporarily closed)	Nil 31,50,000 (incurred in FY 2019-20)	Ongoing
4.	NA	Stipend to Apprentices	2019-20	Recurring	Actuals	32,91,657	94,71,657	Ongoing
	Total					**40,29,438**	**1,44,25,224**	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **(asset-wise details)**

a)	Date of creation or acquisition of the capital asset(s).	Not Applicable
a)	Amount of CSR spent for creation or acquisition of capital asset.	Not Applicable
a)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not Applicable
a)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	Not Applicable

11.	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section135(5).	Due to COVID-19 pandemic, suppliers could not deliver the equipment/ infrastructure items as planned.

Sd/- **Shri Gowri Sankara Rao Naramsetti** **Director (Finance)**	Sd/- **Dr. S. K. Jha** **Chairman & Managing Director**

ANNEXURE-IV

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

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

A. CONSERVATION OF ENERGY

i. Steps taken or impact on conservation of energy:

- The measures introduced to save LPG during the year as follows:
  - Loading of materials having similar heat cycle in the furnaces up to their full capacity and optimization of similar batch type materials.
  - Furnaces running continuously to utilize available heat energy in the furnace and furnace availability at more than 80% during the financial year.
  - 90% Utilization of New LPG Fired Furnaces at Forge Shop to save LPG Fuel (use of new combustion system with high velocity burners).
- The measures introduced to save electricity during the FY 2020-21 are as follows:
  - Installation of VFD Driven Hot Water Pumps at Pump House – I.

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

- The solar power plants have generated solar energy valued at ₹ 305 lakh this year.

iii. Capital investment on energy conservation equipment's: NIL

B. TECHNOLOGY ABSORPTION:

(i) The efforts made towards technology absorption:

- Alloy Development by using Artificial intelligence (AI) through technology development from IIT, Chennai.
- Development and Manufacturing of Super alloys for Aero engine disc from Defence Metallurgical Research Laboratory (DMRL), Hyderabad.
- Development of process flow sheet to produce cobalt metal from impure cobalt hydroxide from Institute of Minerals and Materials Technology (IMMT), Bhubaneswar.

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

Development of new products, product improvements, import substitution and cost reduction led to lower cost of manufacture, easy availability, quicker delivery and savings of valuable foreign exchange.

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

Not applicable.

(iv) The expenditure incurred on Research and Development:

An amount of ₹ 574.31 Lakh has been incurred towards R&D Expenditure.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year, the total foreign exchange used was ₹ 13,788.95 Lakh.

ANNEXURE-V

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company:	L14292TG1973GOI001660
2.	Name of the Company:	Mishra Dhatu Nigam Limited
3.	Registered address:	P.O.Kanchanbagh, Hyderabad Telangana – 500058
4.	Website:	www.midhani-india.in
5.	E-mailid:	company.secretary@midhani-india.in
6.	Financial Year reported:	2020-21
7.	Sector(s) that the Company is engaged in National Industrial Classification):	• Other Alloy Steel in semi-finished forms, Special Stainless Steel and super alloys (241, 242)* • Titanium and Titanium base Alloys (243)*
8.	List three key products/services that the Company manufactures/provides (as in balance sheet):	i) Manufacture of Other Alloy Steel in semi-finished forms ii) Manufacture of Titanium and Titanium base Alloy iii) Manufacture of Nickel based alloy in semi-finished forms
9.	Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (b) Number of National Locations:	Company is managing its Business Operations from Hyderabad & Rohtak and Company does not have any international locations.
10.	Markets served by the Company Local/State/National/ International:	National and International

Source: National Industrial Clarification - 2008

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital(INR):	18,734.00 Lakh
2.	Total Turnover(INR):	81,323.08 Lakh
3.	Total profit after taxes(INR):	16,629.15 Lakh
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	350.92 Lakh i.e 2.11% of Profit after tax
5.	List of activities in which expenditure in 4 above has been incurred:	(i) Promotion of Health Care and Sanitation (ii) Promotion of Education (iii) Skill Development (iv) Others

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/Companies?

No

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).

NA

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?

The Company has adapted well established procedures for outsourcing and procurement activities in order to ensure quality, on time delivery and optimum cost. The Company has panel of vendors with sound integrity. [More than 60%]

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies:

The overall implementation of Business Responsibility of the Company lies with the Chairman & Managing Director (CMD), who in turn gets BR policy implemented through the respective department heads.

(b) Details of the BR head:

The details of the C&MD, MIDHANI is as under:

No.	Particulars	Details
1	DIN Number (if applicable)	07533036
2	Name	Dr. Sanjay Kumar Jha
3	Designation	Chairman & Managing Director
4	Telephone number	040-24340201
5	e-mail id	cmd@midhani-india.in

2. Principle-wise BR Policy/policies

(a) Details of compliance (Reply in Y/N):

Sr. No.	Questions	Business Ethics P1	Product life responsibility P2	Employee Well Being P3	Stakeholder Engagement P4	Human Rights P5	Environment P6	Policy Advocacy P7	Inclusive Growth P8	Customer Value P9
1.	Do you have a policy/policies for BR*	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?*	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Company follows all work practices, procedures and production endeavors pertaining to its area of activities/ operations as mandated by Industry, Government and relevant statutory bodies.								
3.	Does the policy conform to any national / international standards? If yes, specify?	Yes, Policies at MIDHANI conform to applicable statutes/ guidelines/ rules etc. issued by GOI, and are updated from time to time. Industry practices, national/ international standards are generally kept in view while formulating polices.								
4.	Has the policy being approved by the Board?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Various policies conforming to the directives of the Government under various applicable laws/statutes/rules/ guidelines etc., are approved by the Board or authority delegated for the same by the Board and the same is administrated under overall supervision of C&MD.								
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Board oversees the compliance and implementation of the policies through its various Committees as detailed in the Corporate Governance Report forming part of this Annual Report.								
6.	Indicate the link for the policy to be viewed online?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies are available at Company's website viz. www.midhani-india.in								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, The Company policies and operational framework are available on the Company's website as well as on its intranet portal.								
8.	Does the company have in-house structure to implement the policy/ policies.	Yes, The Company has well-established in-house infrastructure, manpower pool, documented standard operating procedure and other executive & administrative machineries to implement the afore mentioned policies in the area of safe and sustainable production of goods and services of the Company.								

Sr. No.	Questions	Business Ethics P1	Product life responsibility P2	Employee Well Being P3	Stakeholder Engagement P4	Human Rights P5	Environment P6	Policy Advocacy P7	Inclusive Growth P8	Customer Value P9
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Yes, Company has provided contact details for redressal of stakeholders grievance. In addition, the Company has Whistle Blower Mechanism and also a vigil mechanism to address the genuine concerns, of any of the directors and employees. Further representations from bidders/ contractors as well as opinion sought by the Company against various tenders are referred to Independent External Monitors (IEM). IEMs discuss the issues with the executives concerned and bidders' representatives wherever felt necessary by IEMs and give their opinion through a speaking order.								
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Company is subject to various audits such as Statutory Audit by firm of Chartered Accountants appointed by the Comptroller & Auditor General, Internal Audit, C&AG Audit, Cost Audit, Secretarial Audit, Quality Audit, Safety Audit, Integrated Management Systems Audit etc. These audits ensure compliance to various internal and external policies.								

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

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why:

Not Applicable

Governance related to BR:

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company:

The senior management of the Company reviews BR performance on an on-going basis. The Board/ Committees constituted by it review the same annually.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Company publishes Business Responsibility Report (BRR) on yearly basis which forms part of its Annual Report. The BRR forming part of Annual Report is available on the Company's website viz.www.midhani-india.in.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability:

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?**

   A model Code of Business Conduct and Ethics is applicable to all Board Members and Senior Management of the Company. Further, to ensure transparency and integrity in all contracts, MIDHANI is signing "Integrity Pact" with respective bidders in all procurements of estimated value exceeding₹40 lakh. This enables the bidders to raise any issues with respect to high value tenders floated from time to time with the Independent External Monitor (IEM). An IEM is appointed by the Central Vigilance Commission (CVC) to oversee implementation of the said Integrity Pact. The pact is essentially an agreement for ethical conduct of the business and any violations of the same would entail disqualification of the bidders and exclusion from future business dealings.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof.**

   As mentioned in the Report on Corporate Governance, one investor complaint was received during the year. Additionally, complaints from all other stakeholders are addressed and dealt with by respective functions in the Company. No complaint against the company was lodged in the SCORES portal during the FY 2020-21 and no complaints are pending against the Company as on March 31, 2021.

Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**
   (a) Bio-Implants;
   (b) Material for Critical Care Ventilator; and
   (c) Armour Products
2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**
   (a) **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

   Overall, production yield has improved.

   (b) **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

   Specific consumption of Electricity in Production has been reduced by 5% when compared to FY 2019-20.
3. **Does the company have procedures in place for sustainable sourcing (including transportation)?**

   Yes.

   (a) **If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof.**

   MIDHANI has sourced all its inputs sustainably. The same were procured in line with the Purchase Policy duly approved by the Board of MIDHANI.
4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

   Yes.

   (a) **If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

   MIDHANI continues to encourage and develop MSE units by regularly sourcing various goods from them. The Percentage value of goods/ services procured from Micro Small Enterprises (MSE) units stands at 27.50% of total domestic value of procurement during FY 2020-21.
5. **Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof.**

   Yes. The percentage of scrap usage in the products depends on the composition and Customer requirements. The percentage of recycling may vary from 0-100% depending on the customer requirement.

Principle 3: Business should promote the wellbeing of all employees

1. *Please indicate the Total number of employees*

   761
2. *Please indicate the Total number of employees hired on temporary/contractual/casual basis*

   492 (Incl. FTC)
3. *Please indicate the Number of permanent women employees.*

   77
4. *Please indicate the Number of permanent employees with disabilities.*

   20
5. Do you have an employee association that is recognized by management?

   Yes
6. What percentage of your permanent employees is members of this recognized employee association?

   85.22%
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on end of financial year.

   Nil
8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

   (a) Permanent Employees:

   59%

   (b) Permanent Women Employees:

   2.27%

   (c) Casual/Temporary/Contractual Employees:

   17.6%

   (d) Employees with Disabilities:

   5%

Principle 4 : Business should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. **Has the company mapped its internal and external stakeholders?**

   Yes, the Company's internal and external stakeholders can be categorized as employees, consumers, vendors, government authorities and shareholders.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

   Corporate Social Responsibility (CSR) policy of MIDHANI aims at providing benefits to the disadvantaged, vulnerable and marginalized community. The detailed CSR report forms part of this Annual Report. Further MIDHANI ensures that the reservation policy as advised by Govt. of India from time to time is implemented and follows all the Government regulations regarding reservations for SC / ST and Differently Abled.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

   MIDHANI is managing a Charitable Health Care Centre for the poor families staying in and around MIDHANI. Basic checkup and medicines are provided at free of cost to the patients. Further, the projects undertaken by MIDHANI under its CSR activities are specially designed to cater to engage with the disadvantaged, vulnerable and marginalized stakeholders.

Principle 5 : Business should respect and promote Human Rights

1. **Does the policy of the Company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?**

   The Company has one Joint Ventures Company (JVC) and that JVC is yet to commence business operations. The Human resource policies of the Company cover all aspects of human rights of its employees and others associated with it for operation of its business. No complaints have been received in the past financial year on human rights. The Company is committed to uphold and maintain the dignity of women employees and it has in place a policy which provides for protection against sexual harassment of women at work place and for prevention and redressal of such complaints, also Whistle blower policy provides an opportunity to all stakeholders to raise instances of abuse of human rights as well. During the year under review, no such complaint was received.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   No stakeholder complaints on Human Rights Violation were received during the year under review.

Principle 6 : Business should respect, protect, and make effort to restore the environment

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others.**

   Covers the Company as a whole. The Company has one Joint Ventures Company (JVC) and that JVC is yet to commence business operations. We do not have a direct control over the external stakeholders. However, the endeavor is to do business with entities that echo our principles and policies.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   MIDHANI has been certified with ISO 14001:2015 Environmental Management System (EMS), ISO 45001:2018 Occupational Health and Safety Management Systems (OHSMS).

3. **Does the company identify and assess potential environmental risks? Yes/No**

   Yes, the Company regularly reviews its environmental risks and undertakes initiatives to mitigate them

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof. Also, if Yes, whether any environmental compliance report is filed?**

   The Company continuously seeks to improve its environment performance by adopting cleaner production methods, promoting use of energy efficient and environment friendly technologies as well renewable energy. The Company has a solar plant, although company has not registered any project for Clean Development Mechanism, so submission compliance report is not needed.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   MIDHANI has implemented green initiatives and entered in to open access agreement with TSSPDCL & TSTRANSCO to avail our 4 MW solar power plant generated energy. The solar power plants have generated solar energy valued at ₹ 305 Lakhs this year. Further MIDHANI has also continued its efforts to maintain and promote ecological balance in and around factory premises by developing and maintaining extensive plantation.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   Nil

Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   (a) Confederation of Indian Industry (CII)

   (b) Society of Defence Technologists

   (c) Standing Conference of Public Enterprises

   (d) Federation of Telangana Chamber of Commerce and Industry (FTCCI)

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   No

Principle 8: Business should support inclusive growth and equitable development

1. **Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof**

   As stated in the above sections, MIDHANI's various CSR projects are in pursuit of the socio and economic development. Further, the MIDHANI's vendor development programs pave the way for achieving the inclusive growth and equitable development.

2. **Are the Programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?**

   Majority of MIDHANI's programs are done in-house and, in some cases, MIDHANI also collaborates with various NGOs, foundations, government agencies, and other professional agencies for execution of the project on the ground. A detailed report on CSR forms part of this Annual Report.

3. **Have you done any impact assessment of your initiative?**

   Yes

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken**

   Please refer to the Annual Report on CSR Activities forming part of this Annual Report.

5. **Have you taken steps to ensure that the community successfully adopts this community development initiative?**

   Yes, MIDHANI conducted impact assessment for majority of the projects in 2020-21.

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

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   NIL

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)**

   Not applicable

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

   No

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   No

ANNEXURE-VI

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021.

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

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **MISHRA DHATU NIGAM LIMITED** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2021 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March, 2021 according to the provisions of:

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

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

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

(4) Foreign Exchange Management Act, 1999 and the rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. - **(Not applicable to the Company during the Audit Period)**

(5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

  b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

  c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

  d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. **(Not applicable to the Company during the Audit Period)**.

  e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**.

  f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client. (Not applicable to the Company during the Audit Period).

  g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period).**

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. **(Not applicable to the Company during the Audit Period).**

i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(6) Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India.

(7) Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises.

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

(1) Secretarial Standards issued by The Institute of Company Secretaries of India;

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

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

Under Companies Act, 2013:

1. The constitution of the Audit Committee is not as per the requirement of the provisions of Section 177 of Companies Act, 2013 as on 31st March, 2021.

2. The constitution of Nomination Remuneration Committee is not as per the requirement of provisions of Section 178 Companies Act, 2013, as on 31st March, 2021.

3. The Board of Directors of the Company do not comprise of at least one Woman Director as required under second proviso to subsection (1) of Section 149 of Companies Act, 2013 as on 31st March, 2021.

   Further, the Board has not filled intermittent vacancy of Women Director within three months from the date of such vacancy as per second proviso to Rule 4(1) of Companies (Appointment and Qualifications of Directors) Rules, 2014.

4. The Company doesn't have at least two directors as independent directors as required under Section 149 of Companies Act, 2013 read with Rule 4 of Companies (Appointment and Qualifications of Directors) Rules, 2014.

   Further, The Board has not filled intermittent vacancy of an independent director within three months from the date of such vacancy as per second proviso to Rule 4(1) of Companies (Appointment and Qualifications of Directors) Rules, 2014.

5. The Constitution of CSR Committee is not as per the requirement of the provisions of Section 135 of Companies Act, 2013 as on 31st March, 2021.

Under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["LODR Regulations"]

6. The Company did not have at least one Woman Director on their Board and the Composition of the Board of Directors does not comprise of at least 50% of the Directors as Non-Executive Directors as required under **Regulation 17(1)(a)** of the LODR Regulations;

7. The Company did not have at least one independent woman director on the Board of Directors as required under proviso to **Regulation 17(1)(a)** of the LODR Regulations;

8. As the Chairman of the Board is an Executive Chairman, half of the Board of Directors of the Company did not comprise of Independent Directors, as required under **Regulation 17(1)(b)** of the LODR Regulations;

9. The Company being a Top 1000 Listed Entity, the Board of Directors of the Company do not comprise of not less than 6 Directors (i.e. it has only 3 Directors on Board) as required under **Regulation 17(1)(c)** of the LODR Regulations;

10. The quorum for the Board Meetings held on 11th November 2020, 17th December 2020, 12th February 2021 and 15th March 2021 is not in line with the **Regulation 17(2A)** of the LODR Regulations;

11. The composition of the Audit committee is not in line with the **Regulation 18(1) (a) & (b)** of LODR Regulations;

12. The Audit Committee of the Company has not met atleast four times in a year as required under **Regulation 18(2)(a)** of the LODR Regulations;

13. The quorum for the Audit Committee Meetings held on 30th June 2020, 11th September, 2020 is not in line with the **Regulation 18(2)(b**) of the LODR Regulations;

14. The composition of Nomination and Remuneration Committee is not in line with **Regulation 19(1)(a), (b) & (c)** of the LODR Regulations;

15. The Nomination and Remuneration Committee of the Company has not met at least once in a year as required under **Regulation 19(3A)** of the LODR Regulations;

16. The composition of Stakeholders Relationship Committee is not in line with **Regulation 20(2A)** of the LODR Regulations;

17. The Stakeholders Relationship Committee of the Company has not met at least once in a year as required under **Regulation 20(3A)** of the LODR Regulations;

18. The majority of members of the Risk Management Committee as on 31st March, 2021 do not consist of Board members in terms of **Regulation 21(2)** of LODR Regulations.

19. The Independent Directors of the Company did not hold atleast one Meeting in a year as required under **Regulation 25(3)** of the LODR Regulations.

20. There was no review of performance of the Non-Independent Directors, Chairperson and the Board of Directors as whole and also the assessment of the quality and quantity and timeliness of flow of information between management and the Board by the Independent Directors as required under **Regulation 25(4)** of the LODR Regulations;

21. The vacancy caused upon completion of tenure of the Independent Director on 08th October, 2020 was not filled, as per the timelines prescribed under **Regulation 25(6) of LODR Regulations** i.e. within a period of 3 months.

We further report that:

i. The Board of Directors of the Company does not comprise of proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

ii. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

iii. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, wherever necessary.

iv. We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

v. We further report that subject to above observations, the Company has complied with the conditions of Corporate Governance as stipulated in the Act and Guidelines for Corporate Governance for CPSEs and other specific laws.

vi. The compliance by the Company of applicable financial laws like Direct and Indirect Tax Laws has not been reviewed in this Audit since the same have been subject to review by Statutory Financial Audit and Other designated Professionals.

We further report that during the audit period, the company has the following specific events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., referred to above:

i. Dr. Dinesh Kumar Likhi ceased to be Chairman and Managing Director of the Company upon completion of his term on 30th April, 2020 and Dr. Sanjay Kumar Jha was appointed as Chairman and Managing Director of the Company with effect from 01st May, 2020.

ii. Shri Surendra Sinh ceased to be Independent Director of the Company upon completion of his term on 08th October, 2020.

iii. Shri Gowri Sankara Rao Naramsetti was appointed as the Director (Finance) of the Company with effect from 27th October, 2020 designated as Chief Financial Officer (KMP) w.e.f. 11th November, 2020.

iv. Shri Sanjay Jaju ceased to be Govt. Nominee Director of the Company with effect from 24th November, 2020.

v. Shri Anurag Bajpai was appointed as Govt. Nominee Director of the Company with effect from 24th November, 2020.

For R&A Associates,
Company Secretaries

Sd/-
CS R Ramakrishna Gupta,
Senior Partner
FCS No: #5523
COP No.: #6696
UDIN: F005523C000506914

Place: Hyderabad
Date: June 24, 2021

This report is to be read with our letter of even date, which is annexed as "Annexure – A" and forms an integral part of this report.

"ANNEXURE – A"

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

Our report of even date is to be read along with this letter:

1. Maintenance of Secretarial Records is the responsibility of the management of **MISHRA DHATU NIGAM LIMITED** ("the Company"). Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For R&A Associates,
Company Secretaries

Sd/-
CS R Ramakrishna Gupta,
Senior Partner
FCS No: #5523
COP No.: #6696
UDIN: F005523C000506914

Place: Hyderabad.
Date: June 24 ,2021

Management's Reply to Secretarial Audit Report

S.No.	Observations of Secretarial Auditor	Management Reply
1.	The constitution of the Audit Committee is not as per the requirement of the provisions of Section 177 of Companies Act, 2013 as on 31st March, 2021.	As on March 31, 2021, the Board of MIDHANI comprises of two Executive/functional Directors and one Govt. Nominee Director. Shri Indraganty Venkateswara Sarma (DIN:02144740), Dr. Jyoti Mukhopadhyay (DIN:02224647) and Dr. Usha Ramachandra (Woman Independent Director) (DIN: 02831588) ceased to be Independent Directors of Company upon completion of their term on November 30, 2019 in accordance with Presidential Order issued vide MoD letter PC. No 11(57)/2017/MDN/D(NS) dated November 22, 2018. Further, Shri Surendra Sinh (DIN: 07960634) ceased to be Independent Director of the Company upon Completion of his tenure in accordance with Presidential Order issued vide MoD letter No. 11(66)/2017/MDN/D(NS) dated September 8, 2017. Consequent to aforementioned tenure end of Independent Directors, the Board & Committee composition is not in in compliance with provision of Companies Act, 2013 and under SEBI (Listing Obligations and Disclosure Requirements), 2015 as amended. MIDHANI, being a PSU and under the administrative control of Ministry of Defence (MoD), the authority for appointments of Directors vests with MoD only. As on March 31, 2021, the vacancy of four Independent Directors (including woman Independent Director) & one executive/functional Director is yet to be filled in by Administrative Ministry. Company on regular intervals, apprise its Administrative Ministry w.r.t. non-compliances under Companies Act, 2013 & SEBI (Listing Obligations and Disclosure Requirements), 2015 as amended.
2.	The constitution of Nomination Remuneration Committee is not as per the requirement of provisions of Section 178 Companies Act, 2013, as on 31st March, 2021.	*Refer reply at S.No.1*
3.	The Board of Directors of the Company do not comprise of at least one Woman Director as required under second proviso to subsection (1) of Section 149 of Companies Act, 2013 as on 31st March, 2021. Further, the Board has not filled intermittent vacancy of Women Director within three months from the date of such vacancy as per second proviso to Rule 4(1) of Companies (Appointment and Qualifications of Directors) Rules, 2014.	*Refer reply at S.No.1*
4.	The Company doesn't have at least two directors as independent directors as required under Section 149 of Companies Act, 2013 read with Rule 4 of Companies (Appointment and Qualifications of Directors) Rules, 2014. Further, The Board has not filled intermittent vacancy of an independent director within three months from the date of such vacancy as per second proviso to Rule 4(1) of Companies (Appointment and Qualifications of Directors) Rules, 2014.	*Refer reply at S.No.1*
5.	The Constitution of CSR Committee is not as per the requirement of the provisions of Section 135 of Companies Act, 2013 as on 31st March, 2021.	*Refer reply at S.No.1*
6.	The Company did not have at least one Woman Director on their Board and the Composition of the Board of Directors does not comprise of at least 50% of the Directors as Non-Executive Directors as required under **Regulation 17(1)(a)** of the LODR Regulations;	*Refer reply at S.No.1*

S.No.	Observations of Secretarial Auditor	Management Reply
7.	The Company did not have at least one independent woman director on the Board of Directors as required under proviso to **Regulation 17(1)(a)** of the LODR Regulations;	*Refer reply at S.No.1*
8.	As the Chairman of the Board is an Executive Chairman, half of the Board of Directors of the Company did not comprise of Independent Directors, as required under **Regulation 17(1)(b)** of the LODR Regulations;	*Refer reply at S.No.1*
9.	The Company being a Top 1000 Listed Entity, the Board of Directors of the Company do not comprise of not less than 6 Directors (i.e. it has only 3 Directors on Board) as required under **Regulation 17(1)(c)** of the LODR Regulations;	*Refer reply at S.No.1*
10.	The quorum for the Board Meetings held on 11th November 2020, 17th December 2020, 12th February 2021 and 15th March 2021 is not in line with the **Regulation 17(2A)** of the LODR Regulations;	Shri Surendra Sinh, the sole Independent Director on the Board of Company, cease to be Independent Director, upon completion of his tenure as Independent Director w.e.f. October 8, 2020, Hence, Meetings conveyed post his tenure end were not in Compliance with Regulation 17(2A) of LODR Regulations.
11.	The composition of the Audit committee is not in line with the **Regulation 18(1) (a) & (b)** of LODR Regulations;	*Refer reply at S.No.1.*
12.	The Audit Committee of the Company has not met atleast four times in a year as required under **Regulation 18(2)(a)** of the LODR Regulations;	Upon tenure end of Shri Surendra Sinh, as sole Independent Director of the Company, the Board of MIDHANI suspended all Board level Committee till such time Independent Directors are appointed by Administrative Ministry.
13.	The quorum for the Audit Committee Meetings held on 30th June 2020, 11th September, 2020 is not in line with the **Regulation 18(2)(b)** of the LODR Regulations;	*Refer reply at S.No.1.*
14.	The composition of Nomination and Remuneration Committee is not in line with **Regulation 19(1)(a), (b) & (c)** of the LODR Regulations;	*Refer reply at S.No.1.*
15.	The Nomination and Remuneration Committee of the Company has not met at least once in a year as required under **Regulation 19(3A)** of the LODR Regulations;	*Refer reply at S.No.1.*
16.	The composition of Stakeholders Relationship Committee is not in line with **Regulation 20(2A)** of the LODR Regulations;	*Refer reply at S.No.1.*
17.	The Stakeholders Relationship Committee of the Company has not met at least once in a year as required under **Regulation 20(3A)** of the LODR Regulations;	*Refer reply at S.No.1.*
18.	The majority of members of the Risk Management Committee as on 31st March, 2021 do not consist of Board members in terms of **Regulation 21(2)** of LODR Regulations.	*Refer reply at S.No.1.*
19.	The Independent Directors of the Company did not hold atleast one Meeting in a year as required under **Regulation 25(3)** of the LODR Regulations.	During FY 2020-21, Shri Surendra Sinh was the only Independent Director on the Board and his tenure as Independent Director ended w.e.f. October 8, 2020.
20.	There was no review of performance of the Non-Independent Directors, Chairperson and the Board of Directors as whole and also the assessment of the quality and quantity and timeliness of flow of information between management and the Board by the Independent Directors as required under **Regulation 25(4)** of the LODR Regulations;	*-do-*
21.	The vacancy caused upon completion of tenure of the Independent Director on 08th October, 2020 was not filled, as per the timelines prescribed under **Regulation 25(6) of LODR Regulations** i.e. within a period of 3 months.	*Refer reply at S.No.1.*

ANNEXURE-VII

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members of
Mishra Dhatu Nigam Limited,
P.O. Kanchanbagh,
Hyderabad – 500058,
Telangana, India.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Mishra Dhatu Nigam Limited** (hereinafter referred to as 'the Company') having CIN **L14292TG1973GOI001660** and having registered office at **P.O. Kanchanbagh, Hyderabad – 500058, Telangana, India**, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para - C Clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of Appointment in Company
1.	Sanjay Kumar Jha	07533036	05/07/2016
2.	Anurag Bajpai	08948155	24/11/2020
3.	Gowri Sankara Rao Naramsetti	08925899	27/10/2020

Ensuring the eligibility of/for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For R & A Associates
Company Secretaries

Sd/-
R. Ramakrishna Gupta
Senior Partner
Membership No: 5523
C.P No: 6696
UDIN: F005523C000506947

Place: Hyderabad
Date: June 24, 2021

ANNEXURE-VIII

CERTIFICATE ON CORPORATE GOVERNANCE

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

1. We have examined the compliance of conditions of Corporate Governance by the Company for the year ended on 31st March, 2021, as stipulated in Regulations 17to 27and clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "LODR Regulations").

2. We have also examined all the relevant records of Mishra Dhatu Nigam Limited for the purpose of certifying the compliance of conditions of the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 for the financial year ended 31st March, 2021. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

Management's Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Opinion

6. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management and subject to the following:

   a) The Company did not have at least one Woman Director on their Board and the Composition of the Board of Directors does not comprise of at least 50% of the Directors as Non-Executive Directors as required under Regulation 17(1)(a) of the LODR Regulations;

   b) The Company did not have at least one independent woman director on the Board of Directors as required under proviso to Regulation 17(1)(a) of the LODR Regulations;

   c) As the Chairman of the Board is an Executive Chairman, half of the Board of Directors of the Company did not comprise of Independent Directors, as required under Regulation 17(1)(b) of the LODR Regulations;

   d) The Company being a Top 1000 Listed Entity, the Board of Directors of the Company do not comprise of not less than 6 Directors (i.e. it has only 3 Directors on Board) as required under Regulation 17(1)(c) of the LODR Regulations;

   e) The quorum for the Board Meetings held on 11th November 2020, 17th December 2020, 12th February 2021 and 15th March 2021 is not in line with the Regulation 17(2A) of the LODR Regulations;

   f). The composition of the Audit committee is not in line with the Regulation 18(1) (a) & (b) of LODR Regulations;

   g) The Audit Committee of the Company has not met at least four times in a year as required under Regulation 18(2)(a) of the LODR Regulations;

   h) The quorum for the Audit Committee Meetings held on 30th June 2020 and 11th September, 2020 is not in line with the Regulation 18(2)(b) of the LODR Regulations;

   i) The composition of Nomination and Remuneration Committee is not in line with Regulation 19(1)(a), (b) & (c) of the LODR Regulations;

   j) The Nomination and Remuneration Committee of the Company has not met at least once in a year as required under Regulation 19(3A) of the LODR Regulations;

   k) The composition of Stakeholders Relationship Committee is not in line with Regulation 20(2A) of the LODR Regulations;

   l) The Stakeholders Relationship Committee of the Company has not met at least once in a year as required under Regulation 20(3A) of the LODR Regulations;

m) The majority of members of the Risk Management Committee as on 31st March, 2021 do not consist of Board members in terms of Regulation 21(2) of LODR Regulations.

n) The Independent Directors of the Company did not hold atleast one Meeting in a year as required under Regulation 25(3) of the LODR Regulations.

o) There was no review of performance of the Non-Independent Directors, Chairperson and the Board of Directors as whole and also the assessment of the quality and quantity and timeliness of flow of information between management and the Board by the Independent Directors as required under Regulation 25(4) of the LODR Regulations;

p) The vacancy caused upon completion of tenure of the Independent Director on 08th October, 2020 was not filled, as per the timelines prescribed under Regulation 25(6) of LODR Regulations i.e. within a period of 3 months.

Subject to aforesaid observation, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V to the Listing Regulations during the year ended 31st March, 2021 and Company has also complied with Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010, during the year ended 31st March, 2021.

7. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For R & A Associates
Company Secretaries

Sd/-
CS R. Ramakrishna Gupta
Senior Partner
FCS No: #5523
COP No.: #6696
UDIN: F005523C000506925

Place: Hyderabad
Date: 24th June, 2021

ANNEXURE-IX

DECLARATION OF COMPLIANCE WITH 'CODE OF CONDUCT' OF THE COMPANY

To,

The Members of Mishra Dhatu Nigam Limited,

I, Dr. S.K. Jha, Chairman & Managing Director be hereby declare that:

a) Mishra Dhatu Nigam Limited, has adopted a 'Code of Business Conduct and Ethics' as per the Guidelines on Corporate Governance for Public Sector Enterprises, 2010 issued by Department of Public Enterprises, and Regulation 17 of SEBI Listing Regulations;

b) all the Board members and Senior Management Personnel of the Company have complied with the 'Code of Business Conduct and Ethics for Board Members and Senior Management', during the financial year 2020-21; and

c) this declaration is based on and is in pursuance of the individual affirmations received in writing from the Board members and the Senior Management Personnel of the Company.

For **Mishra Dhatu Nigam Limited**

Sd/-
Dr. S. K. Jha
Chairman & Managing Director

Place: Hyderabad
Date: June 24, 2021

Financial Statements

Standalone
Financial Statements

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Mishra Dhatu Nigam Limited
Hyderabad.

Report on the Audit of the Standalone Financial Statements

We have issued an Independent Audit Report dated 24.06.2021 on the Ind AS Standalone Financial Statements as adopted by Board of Directors on even date. Pursuant to the observations of Comptroller and Auditor General of India, we are issuing this Revised Report by including additional disclosures under 'Emphasis of Matter' para and by replacing the phrase 'internal financial controls' with the phrase "internal financial controls with reference to financial statements" at appropriate places and also including additional disclosures in **Annexure "D"** to comply with the above observations. This report supersedes our earlier report issued on 24.06.2021.

Opinion

We have audited the accompanying standalone financial statements of **Mishra Dhatu Nigam Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statementof Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters that we have identified in the current year are as follows:

Key Audit matter	How the matter was addressed in our audit
Revenue Recognition	
Refer Accounting Policy Note No.2.3 and Note No. 28 to the standalone financial statements. Revenue Recognition was identified as a key audit matter as the Company as well as its external stakeholders focus on Revenue as a key performance indicator. This could create an incentive for revenue to be overstated or recognised before control has been transferred. The standard on Revenue establishes a comprehensive framework for determining when, how much &whether, revenue could be recognized. Accordingly, this involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation, the appropriateness of the basis used to measure revenue recognition.	Following audit procedures were applied, considering the significance of the matter, amongstothers to obtain sufficient appropriate audit evidence: 1. Assessed the appropriateness of the revenue recognition accounting policies whether they are in line with applicable accounting standards. 2. Evaluated the design of key controls and operating effectiveness of the relevant key controls with respect to revenue recognition on selected transactions. 3. Performed substantive testing by sample selection of revenue transactions recorded during the year by testing the underlying documents. 4. Carried out analytical procedures on revenue recognised during the year to identify unusual variances, if any.

Key Audit matter	How the matter was addressed in our audit
	5. Tested on sampling basis, whether revenue transactions near to the reporting data have been recognised in the appropriate period by comparing the transactions selected with relevant underlying documentation, including goods delivery notes and the terms of sales. 6. Checked the underlying documentation to verify that the control and ownership has been transferred to the customer.

Emphasis of Matter

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

a) Note No. 9 (Other Non-Current Assets), Note No.11 (Current Financial Assets - Trade Receivables), Note No. 14 (Current Financial Assets - Others), Note No. 15 (Other Current Assets), Note No. 22 (Other Non-current Liabilities), Note No. 24 (Current Financial Liabilities - Trade Payables), Note No. 25 (Current Financial Liabilities - Others) and Note No. 26 (Other Current Liabilities) to the standalone Financial Statements are subject to receipt of confirmation of balances/reconciliation.

b) We draw attention to Note No. 44 of the Standalone financial statements in which the Company describes the impact arising from the COVID-19 Pandemic.

c) After completion of tenure of Independent Directors, the composition of Company's Board and other Board Sub-Committee is not in line with SEBI (LODR) Regulations 17, 18, 19, 20 & 21. National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) have levied penalties for non-compliance of above SEBI LODR regulations amounting to ₹ 65.75 Lakhs. Company has no role to play in the appointment of Directors of the Board and hence the penalty is not accepted and representations are made by Company for waiver of the same.

Our opinion on the Standalone Financial Statements is not modified in respect of the above matters.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information contained in Directors' Report including Annual Report on CSR Activities, Management Discussion & Analysis Report, Business Responsibility Report, Report on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo, Report on Corporate Governance annexed thereto, Shareholder Information and other information contained in Annual Report, but does not include the standalone financial statements and our report thereon. These reports are expected to be made available to us after the date of this auditors' report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the standalone financial statements by the Directors of the Company, as aforesaid.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements are in place and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

- If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities of the Company to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of the standalone financial statements of such entity included in.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance of the Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the **Annexure "A"**, a Statement on the Matters specified in the Paragraph 3 and 4 of the Order, to the extent applicable.

2) As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid standalone financial statements have been kept by the Company so far as it appears from our examination of those books.

   c) The standalone Balance Sheet, the standalone Statement of Profit and Loss including Other Comprehensive Income, standalone Statement of Changes in Equity and the standalone Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the standalone financial statements.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

   e) As per Section 164(2) of the Act regarding disqualification of directors is not applicable to the Company by virtue of Notification No. G.S.R. No.463(E) dated 05.06.2015, Government companies are exempt from the applicability of the provisions of section 164(2) of the Act. Hence no comments offered.

   f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure "C"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

   g) As required by Section 143(5) of the Act, we give in **Annexure "D"**, a statement on the matters contained in directions issued by the Comptroller & Auditor General of India, the action taken thereon and its impact on the accounts and standalone financial statements of the company in terms of aforesaid section.

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

      i. The Company have pending litigations, the liabilities in respect of which is either provided for or disclosed as contingent liabilities - Refer Note 41 of the Notes on accounts to the standalone financial statements. The company has disclosed the impact of these pending litigations on the standalone financial position of the Company is subject to their judicial outcome;

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

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

For Sarath & Associates
Chartered Accountants
Firm Regn. 05120S

Sd/-
CA S Srinivas
Partner
M.No. 202471
UDIN : 21202471AAAAGR1521

Date : 21.08.2021

Place : Hyderabad

ANNEXURE - "A"

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 OF MISHRA DHATU NIGAM LIMITED

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

i. In respect of the Company's fixed assets:

(a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

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

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

Sl No.	Particulars	Land Details
1	Total Number of Cases	i. Factory Area: 132 acres and 31 Guntas ii. Corporate Office: 8.00 Acres iii. Township Area: 97 Acres and 05 Guntas iv. Under lease to DRDO & Others: 37 Acres and 39 Guntas..
2	Whether Freehold / Lease hold	Free hold
3	Gross/ Net Block as on 31-03-2021 of the above.	₹ 128.80 Lakhs
4	Remarks	Conveyance Deed for 275 Acres and 35 Guntas of land acquired are yet to be executed in the name of the Company. Out of this 1.5 Acres land is under dispute on account of unauthorized occupancy by third party.

ii. According to the information and explanations given to us and based on our examination of records, Physical verification of inventory has been conducted by the management under Perpetual Inventory Programme at reasonable intervals and for the Inventories lying with the third parties at the year end, written confirmations have been obtained in few cases by the management. The discrepancies noticed on such physical verification by the management have been properly dealt with in the books of account. No material discrepancies have been reported.

iii. According to the information and explanations given to us and based on our examination of records, the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered under section 189 of the Act. Accordingly, the clause 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable to the Company.

iv. According to the information and explanations given to us and based on our examination of records, the provisions of section 185 and 186 of the Act are not applicable to the Company vide Notification GSR No.463(E) F.No.1/2/2014-CL.V dated 5th June 2015.

v. According to the information and explanations given to us and based on our examination of records, the Company has not accepted any deposits during the year and does not have any unclaimed deposits as at 31st March, 2021 and therefore, the provisions of the clause 3(v) are not applicable to the Company.

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

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

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

b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March 2021 for a period of more than six months from the date they became payable.

c) Details of disputed Statutory Dues of Sales Tax, Value Added Tax, Customs Duty, Excise Duty, Entry Tax, Service Tax, Cess (as applicable) as at 31st March 2021, on account of disputes pending before appropriate authorities as given in **Annexure –"B".**

viii. According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company has not defaulted in repayment of dues to any financial institution or bank or government during the year. The Company has not issued any debentures.

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

x. According to the information and explanations given to us and on the basis of examination of the records of the Company, no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the year or informed any such case by the management.

xi. In our Opinion and according to the information and explanations given to us, Provision of Section 197 are not applicable to Government companies vide notification no. G.S.R. 463(E) F.No.1/2/2014-CL.V dated 5th June 2015 issued by the Central Government, therefore the provisions of clause 3(xi) of the order are not applicable to the Company.

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

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

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.

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

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause 3(xvi) of the Order is not applicable.

For Sarath & Associates
Chartered Accountants
Firm Regn. 05120S

Sd/-
CA S Srinivas
Partner
M.No. 202471
UDIN : 21202471AAAAGR1521

Date : 21.08.2021
Place : Hyderabad

ANNEXURE - "B"

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 OF MISHRA DHATU NIGAM LIMITED

(Referred to in paragraph vii(c) of Annexure A, a statement on the matters specified in the Companies (Auditor's Report) Order, 2016 (as amended) of the Company for the year ended on 31st March, 2021)

According to the records of the company dues on account of any dispute with respect to Sales Tax, Value Added Tax, Customs Duty, Excise Duty, Service Tax, Entry Tax, Cess and the particulars are furnished below:

(₹. In Lakhs)

Name of the Statue	Nature of Dues	Disputed Amount	Paid under Protest	Balance	Period to which the amount relates	Forum where dispute is pending
CST Act, 1956	CST	165.66	82.83	82.83	2010-11	VAT Tribunal
VAT Act, 2005	VAT	3.80	0.95	2.85	2010-11	Appellate Deputy Commissioner
CST Act, 1956	CST	2.30	2.07	0.23	2011-12	Appellate Deputy Commissioner
VAT Act, 2005	VAT	178.58	22.32	156.26	02/2014 to 06/2017	Appellate Deputy Commissioner
AP Entry Tax Act, 2001	Entry Tax	21.03	7.36	13.67	2013-14 & 2014-15	Appellate Deputy Commissioner
Customs Act, 1962	Customs Duty & Penalty	106.20	-	106.20	2011-12	CESTAT
Central Excise Tariff Act, 1985	Excise Duty & Penalty	225.97	-	225.97	2006-07 to 2008-09	Comm. of Customs, Central Excise & Service Tax
Central Excise Tariff Act, 1985	Duty on account of non-reversal of ITC for material sent on job work	130.04	4.12	125.92	2012-13 & 2013-14	Comm. of Customs, Central Excise & Service Tax
Finance Act, 1994	Service Tax on LD received from Vendors	154.20	7.71	146.49	07/2012 to 03/2016	CESTAT
Finance Act, 1994	Service Tax on LD received from Vendors	33.21	3.32	29.89	2016-17	Comm. Of Customs, Central Excise & Service Tax
CST Act, 1956	Demand for CST	2.71	0.34	2.37	2015-16	Appellate Deputy Commissioner
CST Act, 1956	Demand for CST	68.74	8.59	60.15	2016-17	Appellate Deputy Commissioner
Central Excise Act 1944	Irregular availment of CENVAT Credit, Non Payment of ED on sale of obsolete CG, Mould& Spares	37.58	2.82	34.76	2016 – June 2017	Commissioner, Customs & Central Tax (Appeals-1)
	Total	**1130.02**	**142.43**	**987.61**		

ANNEXURE - "C"

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 OF MISHRA DHATU NIGAM LIMITED

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

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

We have audited the internal financial controls with reference to financial statements reporting of the Company, as of 31st March 2021 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date

Management's Responsibility for Internal Financial Controls with reference to Financial Statements:

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls with reference to Financial Statements based on the internal financial control over financial reporting criteria established by the Company considering the essential components of control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to Financial Statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by ICAI and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Financial Statements.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles.

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

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

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

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion:

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as on 31st March, 2021, based on the internal control with reference to financial statements criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to financial statements issued by the Institute of Chartered Accountants of India.

For Sarath & Associates
Chartered Accountants
Firm Regn. 05120S

Sd/-
CA S Srinivas
Partner
M.No. 202471
UDIN : 21202471AAAAGR1521

Date : 21.08.2021
Place : Hyderabad

ANNEXURE - "D"

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 OF MISHRA DHATU NIGAM LIMITED

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

Report on the directions under sub-section 5 of Section 143 of the Act, issued by the Comptroller and Auditor General of India:

Sl. No.	Directions u/s. 143(5) of the Companies Act, 2013	Auditor's Reply on action taken on the directions	Impact
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated	Company is using Oracle ERP software to record all business and financial transactions including Purchase Accounting, Sales Accounting, Inventory transactions, Production transactions, Accounts Payable, Accounts Receivable, Fixed Assets, Payroll, Oracle Process Manufacturing and General Ledger and all the modules are integrated with one another. The software itself has built in checks and validations between inter related modules.Accordingly, the data accuracy and integrity is maintained. All payment approvals are processed using the approval hierarchy defined in Oracle Module. All the accounting transactions are processed and the Trial Balance is generated from Oracle based ERP System. In view of the above, we confirm that no financial transactions are carried out outside IT systems and hence there is no financial implication on the integrity of the accounts during the Financial Year 2020-21.	NIL
2.	Whether there is any restructuring of an existing loan or cases of waiver/write-off of debts/loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated	According to the information and explanation furnished to us and based on our examination of books, there is no restructuring of an existing loan or cases of waiver / write-off of debts / loans/ interest etc made by a lender to the company during the financial year 2020-21.	NIL
	Whether such cases are properly accounted for?	As there is no restructuring of loans, there is no accounting impact	
3.	Whether funds (grants/subsidy etc) received / receivable for specific schemes from Central/ State Government or itsagencies were properly accounted for/utilized as per its term and conditions? List ofthe cases if deviation	Based on the examination of the Books and records of the company, during the Financial Year 2020-21, no government grants/funds were received/receivable by the Company for specific schemesfrom Central/State Government/ Agencies	NIL

For Sarath & Associates
Chartered Accountants
Firm Regn. 05120S

Sd/-
CA S Srinivas
Partner
M.No. 202471
UDIN : 21202471AAAAGR1521

Date : 21.08.2021
Place : Hyderabad

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF MISHRA DHATU NIGAM LIMITED, HYDERABAD FOR THE YEAR ENDED 31 MARCH 2021

The preparation of financial statements of **Mishra Dhatu Nigam Limited, Hyderabad** for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their revised Audit Report dated 21 August 2021 which supersedes their earlier Audit Report dated 24 June 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **Mishra Dhatu Nigam Limited, Hyderabad** for the year ended 31 March 2021 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

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

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

02/09/2021

(Santosh Kumar)
Principal Director of Commercial Audit

Place: Bengaluru
Date: 02 September 2021

Standalone Balance Sheet

as at 31st March, 2021

(₹ in Lakhs)

Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
I ASSETS			
Non-current assets			
Property, Plant and Equipment	3	42,785.85	43,970.52
Capital work-in-progress	5	54,874.46	40,482.01
Intangible assets	4	105.72	104.11
Financial Assets			
(i) Investments	6	2,210.11	2,210.11
(ii) Loans	7	35.60	64.85
Non current tax assets (Net)	8	553.82	543.63
Other non-current assets	9	396.93	999.69
Total non-current assets		**1,00,962.49**	**88,374.92**
Current assets			
Inventories	10	80,083.79	91,050.37
Financial assets			
(i) Trade receivables	11	38,613.55	29,739.51
(ii) Cash and cash equivalents	12	9,387.01	7,271.03
(iii) Bank balances [other than (ii) above]	13	7.66	3,818.64
(iv) Others	14	855.22	1,335.36
Other current assets	15	16,161.97	18,208.54
Total current assets		**1,45,109.20**	**1,51,423.45**
TOTAL ASSETS		**2,46,071.69**	**2,39,798.37**
II EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	18,734.00	18,734.00
Other equity	17	88,529.11	77,104.66
Total equity		**1,07,263.11**	**95,838.66**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	18	-	18.41
(ii) Others	19	39,461.20	32,597.80
Provisions	20	136.67	125.18
Deferred tax liabilities (net)	21	3,377.37	3,123.40
Other non-current liabilities	22	31,572.08	38,409.92
Total non-current liabilities		**74,547.32**	**74,274.71**
Current liabilities			
Financial liabilities			
(i) Borrowings	23	16,043.55	13,344.23
(ii) Trade payables	24	8,556.71	12,889.84
(iii) Other	25	5,744.96	4,418.10
Other current liabilities	26	29,475.99	35,992.01
Provisions	27	4,440.05	3,040.82
Total current liabilities		**64,261.26**	**69,685.00**
TOTAL EQUITY AND LIABILITIES		**2,46,071.69**	**2,39,798.37**

The accompanying notes 1 to 46 form an integral part of the financial statements.

As per our report of even date

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

Sd/-
Shri S. Srinivas
Partner
Membership No. 202471

Place: Hyderabad
Date: 24.06.2021

for and on behalf of the Board of Directors

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

Sd/-
Shri. Gowri Sankara Rao Naramsetti
Director (Finance)

Sd/-
Shri Paul Antony
Company Secretary

Standalone Statement of Profit and Loss

for the year ended 31st March, 2021

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31st March 2021	For the year ended 31st March 2020
INCOME			
Revenue From Operations	28	81,323.08	71,287.57
Other income	29	1,983.12	3,643.63
TOTAL INCOME		**83,306.20**	**74,931.20**
EXPENSES			
Cost of material consumed	30	17,007.05	37,660.59
Change in inventories of finished goods, work-in-progress and stock-in-trade	31	4,158.86	(25,723.34)
Employee benefits expense	32	12,101.04	12,348.46
Finance Costs	33	1,199.53	591.60
Depreciation and amortization expense	3, 4	2,699.53	2,611.44
Other expenses	34	23,530.80	27,233.83
TOTAL EXPENSES		**60,696.81**	**54,722.58**
Profit / (Loss) before exceptional items and tax		**22,609.39**	**20,208.62**
Exceptional Items - Income / (Expense)		-	-
Profit / (Loss) before tax		**22,609.39**	**20,208.62**
Tax expense:			
Current Tax	35	5,748.40	5,072.69
Earlier Year Tax		(22.13)	19.15
MAT Credit Entitlement			
Deferred Tax		253.97	(856.60)
Profit / (Loss) for the period		**16,629.15**	**15,973.38**
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		(45.55)	(261.03)
(ii) Income tax relating to items that will not be reclassified to profit or loss		11.46	65.70
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Other comprehensive income for the year net of tax		(34.09)	(195.33)
Total Comprehensive Income for the period		**16,595.06**	**15,778.05**
(Comprising Profit / (Loss) and Other Comprehensive Income for the period)			
Earning per equity share (Amount in ₹)			
Basic (₹)		8.88	8.53
Diluted (₹)		8.88	8.53
Weighted average number of shares (Nos.) (Basic & Diluted)		18,73,40,000	18,73,40,000

The accompanying notes 1 to 46 form an integral part of the financial statements.

As per our report of even date

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

Sd/-
Shri S. Srinivas
Partner
Membership No. 202471

Place: Hyderabad
Date: 24.06.2021

for and on behalf of the Board of Directors

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

Sd/-
Shri. Gowri Sankara Rao Naramsetti
Director (Finance)

Sd/-
Shri Paul Antony
Company Secretary

Standalone Statement of Changes in Equity

for the year ended 31st March, 2021

A Equity Share Capital

(₹ in Lakhs)

Particulars	Amount
Balance as at 31st March 2019	**18,734.00**
Changes in Equity Share Capital	-
Balance as at 31st March 2020	**18,734.00**
Changes in Equity Share Capital	-
Balance as at 31st March 2021	**18,734.00**

B Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus		Other Comprehensive Income	Total Other Equity
	Retained Earnings	General Reserve	Other items of Other Comprehensive Income	
Opening Balance as at 1st April 2019	**398.75**	**64,075.87**	**262.29**	**64,736.91**
Changes in Equity Share Capital during the year				-
Profit for the period	15,973.38			15,973.38
Remeasurement of the net defined benefit liability / asset, net of tax effect			(195.33)	(195.33)
Dividends	(2,828.83)			(2,828.83)
Dividend Distribution Tax	(581.47)			(581.47)
Transfer to General Reserve	(6,500.00)	6,500.00		-
Balance as at 31st March 2020	**6,461.83**	**70,575.87**	**66.96**	**77,104.66**
Opening Balance as at 1st April 2020	**6,461.83**	**70,575.87**	**66.96**	**77,104.66**
Changes in Equity Share Capital during the year				-
Profit for the period	16,629.15			16,629.15
Remeasurement of the net defined benefit liability / asset, net of tax effect			(34.09)	(34.09)
Dividends	(5,170.61)			(5,170.61)
Dividend Distribution Tax	-			-
Transfer to General Reserve	(9,000.00)	9,000.00		-
Balance as at 31st March 2021	**8,920.37**	**79,575.87**	**32.87**	**88,529.11**

The accompanying notes 1 to 46 form an integral part of the financial statements.

As per our report of even date

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

Sd/-
Shri S. Srinivas
Partner
Membership No. 202471

Place: Hyderabad
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Sd/-
Dr. Sanjay Kumar Jha
Chairman & Managing Director

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Shri. Gowri Sankara Rao Naramsetti
Director (Finance)

Sd/-
Shri Paul Antony
Company Secretary

Standalone Statement of Cash Flow

for the year ended 31st March, 2021

(₹ in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Cash flows from operating activities		
Profit/(loss) for the year (before tax)	22,563.84	19,947.59
Adjustments for:		
Depreciation expense	2,699.53	2,611.44
Finance costs	1,199.53	591.60
Interest income	(429.87)	(1,335.19)
Profit / Loss on sale of Fixed Assets	16.26	(9.27)
	26,049.29	**21,806.17**
Working capital adjustments:		
(Increase) decrease in inventories	10,966.58	(40,166.72)
(Increase) decrease in trade receivables and loans	(8,844.79)	5,419.96
(Increase) decrease in other financial assets	480.14	(186.87)
(Increase) decrease in other non-current assets	602.76	3,621.03
(Increase) decrease in other current assets	2,046.57	(8,693.02)
Increase (decrease) in trade payables	(4,234.65)	73.99
Increase (decrease) in other financial liabilities	8,190.26	15,112.67
Increase (decrease) in provisions	462.83	979.18
Increase (decrease) in non-current liabilities	(6,837.84)	12,520.06
Increase (decrease) in other current liabilities	(6,516.02)	14,461.98
Cash generated from operating activities	22,365.13	24,948.43
Income tax paid (net)	(4,777.11)	(4,504.60)
Net cash from operating activities (A)	**17,588.02**	**20,443.83**
Cash flow from investing activities		
Acquisition of property, plant and equipment	(15,908.92)	(27,168.69)
Profit / Loss on sale of Fixed Assets	(16.26)	9.27
Investment in other projects	-	(2,000.00)
Interest received	429.87	1,335.19
Investment in fixed deposits	4,000.00	8,300.00
Net cash from investing activities (B)	**(11,495.31)**	**(19,524.23)**
Cash flows from financing activities		
Repayment of borrowings	2,680.91	2,696.97
Dividend on shares	(5,173.80)	(3,411.58)
Interest paid	(1,199.53)	(591.60)
Net cash flow from (used in) financing activities (C)	**(3,692.42)**	**(1,306.21)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	2,400.29	(386.61)
Cash and cash equivalents at 1 April	986.89	1,373.50
Cash and cash equivalents at the reporting date	**3,387.18**	**986.89**
Reconcilliation of cash and cash equivalents as per the balance sheet		
Cash and cash equivalents as per the cash flow statement	3,387.18	986.89
Other bank balances not considered above		
- Term Deposit	5,999.83	6,284.14
Cash and cash equivalents (including Term Deposits) at the reporting date	**9,387.01**	**7,271.03**

The accompanying notes 1 to 46 form an integral part of the financial statements.

As per our report of even date

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

Sd/-
Shri S. Srinivas
Partner
Membership No. 202471

Place: Hyderabad
Date: 24.06.2021

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

Sd/-
Shri. Gowri Sankara Rao Naramsetti
Director (Finance)

Sd/-
Shri Paul Antony
Company Secretary

Significant Accounting Policies

1. GENERAL INFORMATION

Mishra Dhatu Nigam Limited ("the Company") a Government of India enterprise was set up in 1973 and is engaged in the business of manufacturing of superalloys, titanium, special purpose steel and other special metals. The Company has its registered office at 'P.O. Kanchanbagh, Hyderabad, 500058'.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

i. Statement of compliance

The financial statements are prepared and presented in accordance with Indian Accounting Standards (Ind AS) [as notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015], to the extent applicable, the provisions of the Companies Act, 2013 and these have been consistently applied.

ii. Functional and presentation currency

The standalone financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the entity operates. All financial information presented in Indian rupees has been rounded to the nearest lakhs except share and per share data.

iii. Use of estimates and judgement

The preparation of financial statements in conformity with Ind AS require estimates and assumptions to be made that affect the application of accounting policies and reported amounts of assets and liabilities, and the reported amounts of revenues and expenses during the reporting period. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

2.2 Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these standalone financial statements, unless otherwise stated.

2.3 Revenue recognition

Revenue is recognized when significant risks and rewards of ownership and effective control on goods have been transferred to the buyer. Revenue from the sale of manufactured goods is recognized upfront at the point in time when the goods are delivered to the customer. The supply of alloys may include supply of third-party equipment or material. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the company is acting as the principal or as an agent of the customer. The company recognizes revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, liquidated damages, performance bonuses and incentives, if any, as specified in the contract with the customer.

Sales revenue is measured at fair value net of returns, trade discounts and volume rebates. Revenue is recognized when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. The appropriate timing for transfer of risks and rewards varies depending on the individual terms and conditions of the sales contract.

In case of Ex-works contract, revenue is recognized when the goods are handed over to the carrier/agent for dispatch to the buyer and wherever customer's prior inspection is stipulated; revenue is recognized upon acceptance by customer's inspector.

In case of sales on FOR/FOB destination contracts, revenue is recognized considering the expected time in respect of dispatches to reach the destination within the accounting period, subject to adjustments based on actual receipt of material at destination.

Claims for additional revenue in respect of sales contracts/orders against outside agencies are accounted on certainty of realization.

Revenue on rendering of service: Revenue is recognized when the outcome of the services rendered can be estimated reliably. Revenue is recognized in the period when the service is performed by reference to the contract stage of completion on the reporting date.

Contract assets are recognized when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognized when there is a billing in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation a cumulative adjustment is accounted for.

Use of significant judgements in revenue recognition:

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identify distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Contract fulfillment costs are generally expensed as incurred except for certain software license costs which meet the criteria for capitalization. The assessment of this criterion requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

2.4 Foreign currencies

Foreign currency monetary items are recorded in the Functional Currency at the closing rate of the reporting period. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Exchange differences arising on account of settlement / conversion of foreign currency monetary items are recognized as expense or income in the period in which they arise.

Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through statement of profit and loss.

2.5 Employee benefits

i. Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in the statement of profit and loss in the periods during which services are rendered by employees. The Company has Post Retirement Medical Benefit Scheme (PRMBS) and Pension Scheme under this category.

ii. Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on government bonds, in the absence of deep market for high quality corporate bonds that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Company. An economic benefit is available to the Company if it is realizable during the life of the plan, or on settlement of the plan liabilities.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in the statement of profit and loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in the statement of profit and loss. The Company recognizes all actuarial gains and losses arising from defined benefit plans in other comprehensive income.

The Company has Gratuity and contribution towards Provident Fund under this category.

iii. Compensated Absence

The Company accounts for its liability towards compensated absences based on actuarial valuation done as at the balance sheet date by an independent actuary using the Projected Unit Credit Method. The liability includes the long term component accounted on a discounted basis and the short term component which is accounted for on an undiscounted basis.

iv. Other Employee Benefits

Other employee benefits are estimated and accounted for based on the terms of the employment contract.

2.6 Property, plant and equipment

Land is capitalized at cost to the Company. Development of land such as leveling, clearing and grading is capitalized along with the cost of building in proportion to the land utilized for construction of building and rest of the development expenditure is capitalized along with the cost of land. Development expenditure incurred for the purpose of landscaping or for any other purpose not connected with construction of any building is treated as cost of land.

All other items of Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. The company opted to adopt the previous GAAP value as the 'deemed cost' for the purposes of preparation of opening balance sheet as at 01 April 2015.

The cost of property, plant and equipment includes expenditures arising directly from the construction or acquisition of the asset, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, when the Company has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The cost of replacing a part of an item is recognized in the carrying amount of the item of property, plant and equipment, if the following recognition criteria are met:

a) It is probable that future economic benefits associated with the item will flow to the Company and;

b) The cost can be measured reliably.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. Useful lives of the significant components are estimated by the internal technical experts.

The carrying amount of the replaced part is de-recognized at the time the replacement part is recognized. The gain or loss arising from the de-recognition of an item of property, plant and equipment is included in statement of profit and loss when the item is de-recognized. The costs of the day-to-day servicing of the item are recognized in statement of profit and loss as incurred.

The present value of expected cost for the dismantling and restoration are included in the cost of respective assets if recognizing criteria for provision are met.

Pending disposal, unserviceable fixed assets are removed from the Fixed Assets Register and shown under "Other Current Assets" as a separate line item at the lower of their net book value and net realizable value. As and when the disposal of such assets takes place, the difference between the carrying amount and the amount actually realized will be recognized as Loss / Profit from sale of Fixed Assets.

Advance paid towards the acquisition of property, plant and equipment, outstanding at each balance sheet date is classified as capital advance under "Other non-current assets" and the cost of assets not put to use before such date are disclosed under 'capital work-in-progress'.

Customer funded assets: As per the guidance of Appendix C of erstwhile Ind AS 18 "Transfer of Assets from Customers" are recognized as an item of property, plant and equipment in accordance with Ind AS 16 in the books of accounts and depreciation is charged accordingly.

As per para 8 of Ind AS 16, items such as spare parts, stand-by equipment and servicing equipment are recognised in accordance with this Ind AS when they meet the definition of property, plant and equipment and are expected to be used for more than one accounting year. Otherwise, such items are classified as inventory.

Depreciation

Depreciation is calculated using the straight line method to allocate their cost, net of residual values, over the estimated useful life.

The useful lives have been determined to be equal to those prescribed in Schedule II to the Companies Act, 2013. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Assets whose actual cost does not exceed ₹ 5000/-, depreciation is provided at the rate of hundred percent in the year of capitalization.

Disposal:

Gain and losses on disposal are determined by comparing net sale proceeds with carrying amount. These are included in statement of profit and loss.

2.7 Intangible assets

i. Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. For transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

ii. De-recognition of intangible assets

An intangible asset is de-recognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in statement of profit and loss when the asset is de-recognized.

iii. Useful lives of intangible assets

Amortization is calculated using the straight line method to allocate their cost, net of residual values, over the estimated useful life.

The useful lives have been determined in accordance with guidance provided at Schedule II to the Companies Act, 2013.

The assets' useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

2.8 Inventories

Inventories are valued on the following basis:

i. Raw materials, consumables, spares and Tools and Instruments in Central Stores

At weighted average cost

ii. Raw materials in Shop floor/ Sub-stores in the shops

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

iii. Consumables in Shop floor/Sub-stores

All consumables drawn from the Central Stores are charged off to expense. Only in respect of 'A' and 'B' class consumables identified by Management from time to time, the stock at the Shop floor/Shop sub-stores are brought to inventory at the close of the year at the weighted average rate. However, moulds, rolls, dies etc., in use at the close of the year, are valued at issue rates with reference to the balance life, technically estimated.

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

At estimated realizable value for scrap.

v. Tools and Gauges

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

vi. Work-in-process

At cost or estimated realizable value appropriate to the stage of production based on technical evaluation, whichever is less. However, the WIP of 5 years old and above is valued at the realizable scrap rate.

vii. Finished Goods

At cost or net realizable value (at shop finished stage) whichever is less. However, the Finished Goods of 5 years old and above is valued at the realizable scrap rate.

viii. Goods in transit are valued at cost.

ix. Stores declared surplus / unserviceable are transferred to salvage stores for disposal, and charged to revenue.

x. Provision for the non-moving raw materials, consumables and spares for over three years is made as under:

Raw materials: 85% of the book value

Consumables and Spares (which do not meet definition of PPE): 50% of the book value

xi. Stationery, uniforms, medical and canteen stores are charged off to revenue at the time of receipt.

2.9 Investments in associates and joint ventures

An associate is an entity over which the company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in associate and joint ventures are measured at cost in accordance with Ind AS 109- Financial Instruments.

Investment in associate and joint ventures are subject to impairment wherever there is indication of negative reserve in the accounts of JV Companies. However, such impairment is limited to the value of investment.

2.10 Income tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

i. Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

ii. Deferred income tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognized for all taxable temporary differences.

2.11 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation taking into account the risks and uncertainties surrounding the obligation.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such provision is made, the Company recognizes any impairment loss on the assets associated with that contract.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimates. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

2.12 Financial instruments

i. Financial assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability. Financial assets and liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legally enforceable right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

The Company's financial assets include security deposits, cash and cash equivalents, trade receivables and eligible current and non-current assets.

Cash and cash equivalents comprise cash balances and term deposits with original maturities of one year or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

ii. Financial liabilities

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company de-recognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

The Company has the following financial liabilities: loans and borrowings and trade and other payables.

Such financial liabilities are recognized initially at fair value through profit or loss and stated net off transaction cost that are directly attributable to them. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

2.13 Impairment

i. Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security.

ii. Non-financial assets

At the end of each reporting period, the Company reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of the fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

2.14 Borrowing costs

Borrowing costs incurred for obtaining assets which takes substantial period to get ready for their intended use are capitalized to the respective assets wherever the costs are directly attributable to such assets and in other cases by applying weighted average cost of borrowings to the expenditure on such assets. Other borrowing costs are treated as expense for the year.

Transaction costs in respect of long-term borrowings are amortized over the tenure of respective loans using effective interest method.

2.15 Finance income and costs

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues in the statement of profit and loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, impairment losses recognized on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in the statement of profit and loss using the effective interest method.

2.16 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

2.17 Segment reporting

Operating segments are identified in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Company is in the business of manufacturing of super alloys and other special metals. Considering the core activities of the Company, management is of the view that the Company operates a single business segment. Further, the Company has only domestic turnover. Therefore, there is no other reportable segment.

2.18 Claims by / against the Company:

Claims on underwriters/carriers towards loss / damage are accounted when monetary claims are preferred.

Claims for refund of customs duty including project imports/port trust charge/excise duty are accounted on acceptance/receipt.

Liquidated Damages on suppliers are accounted on recovery.

Liquidated damages levied by the customers are netted-off from revenue on recovery/advice by the customers. A provision is created for the likely claims of Liquidated Damages for shipments made where a reliable estimation can be made.

Disputed/Time barred debts from Govt. Depts. & PSUs are not treated as Doubtful Debts. However, on a review appropriate provisions/ write offs are made in the books of accounts on a case to case basis.

Provision for Doubtful Debts is made on the amounts due from other than Govt. Depts. & PSUs using expected credit loss provisional matrix.

Provision for Contingencies & Warranty to take care of rejected / returned material by customers is provided at an average of percentages of rejections over turnover related to manufactured products for the previous 5 years.

2.19 Research and development expenses:

Research expenditure is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalized. Tangible assets used in research and development are capitalized.

Expenditure incurred towards other development activity where the research results or other knowledge is applied for developing new or improved products or processes, are recognised as an Intangible Asset if the recognition criteria specified in Ind AS 38 are met and when the product or process developed is expected to be technically and commercially usable, the company has sufficient resources to complete development and subsequently use or sell the intangible asset, and the product or process is likely to generate future economic benefits.

2.20 Physical verification of Fixed Assets and Inventory:

Fixed Assets under the heads Land & Development, Roads & Bridges, Drainage, Sewerage and water system and Buildings & Internal Services are verified once in 3 years. All other Fixed Assets are verified once in the Financial Year.

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

Inventories of raw materials, stores and spares in the Central Stores are verified on perpetual basis as per norms fixed from time to time and reconciled. Provisional adjustments are made to revenue, in respect of discrepancies pending reconciliation.

2.21 Cash Flow Statement:

Cash flow statement has been prepared in accordance with the indirect method prescribed in Ind AS 7- Statement of Cash Flows.

2.22 New standards and interpretations not yet effective:

A number of new standards, amendments to standards and interpretations are not yet effective as on the reporting date, and have not been applied in preparing these financial statements. The effect of the same is being evaluated by the Company.

2.23 Government Grants:

i. Grants from the Government are recognized at their fair value where there is reasonable assurance that grant will be received and the Company will comply with all attached conditions.

ii. Government grants relating to income are deferred and recognized in the profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income. Alternatively, they are deducted in reporting the related expense.

iii. Grants related to non-depreciable assets may also require the fulfilment of certain obligations and would then be recognized in profit or loss over the periods that bear the cost of meeting the obligations.

iv. Government Grants received either as subsidy or otherwise for acquisition of depreciable assets are accounted as deferred income. If the grant/subsidy is absolute, amount corresponding to the depreciation is treated as income over the life of the asset. If the grant/subsidy is attached with any conditions, such as repayment, income is accounted as per the terms of the grant/subsidy.

2.24 LEASES

Company as a lessee:

Contracts with third party, which give the company the right of use in respect of an Asset, are accounted in line with the provisions of Ind AS 116 – "Leases" if the recognition criteria as specified in the Accounting standard are met.

Lease payments associated with short term lease (term of twelve months or less) and lease in respect of low value assets are charged off as expenses on straight line basis over lease term or other systematic basis, as applicable.

At commencement date, the value of "right of use" is capitalised at the present value of outstanding lease payments plus any initial direct cost and estimated cost, if any, of dismantling and removing the underlying asset.

Liability for lease is created for an amount equivalent to the present value of outstanding lease payments. Subsequent measurement, if any, is made using cost model.

Each lease payment is allocated between the liability created and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The right of use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the company's incremental borrowing rate.

Lease modifications, if any, are accounted as a separate lease if the recognition criteria specified in the standard are met.

Company as a Lessor:

Lease are classified as finance or operating lease based on the recognition criteria specified in Ind AS 116 – Leases.

a) Finance Lease:

At commencement date, amount equivalent to the "net investment in the lease" is presented as a receivable. The implicit interest rate is used to measure the value of the "net investment in Lease".

Each lease payment is allocated between the Receivable created and finance income. The finance income is recognised in the statement of profit and loss over the lease period so as to reflect a constant periodic rate of return on the net investment in lease.

The asset is tested for de-recognition and impairment requirements as per Ind AS 109- Financial Instruments.

Lease modifications, if any, are accounted as a separate lease if the recognition criteria specified in the standard are met.

b) Operating lease:

The company recognises lease payments from operating leases as income on either a straight line basis or another systematic basis, if required. Lease modifications, if any, are accounted as a separate lease if the recognition criteria specified in the standard are met.

A lease is classified at the inception date as a finance lease or operating lease.

Notes to Standalone Financial Statements for FY 2020-21

3. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

	Land	Buildings/ Drainage/ water systems	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Other (Electrical installations)	Others (Roads and bridges)	Total Tangible Assets
As at 31st March 2020									
Gross Carrying amount									
Opening gross carrying amount	2,211.99	4,633.16	38,402.98	451.96	392.20	905.99	2,594.76	3.52	49,596.56
Additions	-	219.34	3,029.37	11.00	118.59	205.03	617.98	-	4,201.31
Disposals	-	-	(0.02)	(0.31)	(32.65)	(9.73)	-	-	(42.71)
Closing gross carrying amount	**2,211.99**	**4,852.50**	**41,432.33**	**462.65**	**478.14**	**1,101.29**	**3,212.74**	**3.52**	**53,755.16**
Accumulated depreciation									
Opening accumulated depreciation	-	596.77	5,193.52	142.60	158.49	340.08	798.08	-	7,229.54
Depreciation charge during the year	-	177.19	1,819.93	46.50	54.82	165.56	323.88	-	2,587.88
Disposals	-	0.01	-	(0.05)	(25.56)	(7.21)	0.03	-	(32.78)
Closing accumulated depreciation	**-**	**773.97**	**7,013.45**	**189.05**	**187.75**	**498.43**	**1,121.99**	**-**	**9,784.64**
Net Carrying amount	**2,211.99**	**4,078.53**	**34,418.88**	**273.60**	**290.39**	**602.86**	**2,090.75**	**3.52**	**43,970.52**
As at 31st March 2021									
Gross Carrying amount									
Opening gross carrying amount	2,211.99	4,852.50	41,432.33	462.65	478.14	1,101.29	3,212.74	3.52	53,755.16
Additions	-	328.80	1,517.32	23.33	2.00	48.05	78.32	7.78	2,005.60
Disposals	(493.60)	(13.19)	(14.77)	(0.25)	-	(19.09)	(0.47)	-	(541.37)
Closing gross carrying amount	**1,718.39**	**5,168.11**	**42,934.88**	**485.73**	**480.14**	**1,130.25**	**3,290.59**	**11.30**	**55,219.39**
Accumulated depreciation									
Opening accumulated depreciation	-	773.97	7,013.45	189.05	187.75	498.43	1,121.99	-	9,784.64
Depreciation charge during the year	-	175.20	1,901.45	47.06	54.95	177.36	313.78	0.84	2,670.64
Disposals	-	(3.04)	(4.69)	(0.21)	-	(13.56)	(0.24)	-	(21.74)
Closing accumulated depreciation	**-**	**946.13**	**8,910.21**	**235.90**	**242.70**	**662.23**	**1,435.53**	**0.84**	**12,433.54**
Net Carrying amount	**1,718.39**	**4,221.98**	**34,024.67**	**249.83**	**237.44**	**468.02**	**1,855.06**	**10.46**	**42,785.85**

1. 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, Telangana State Govt.- 1 acre, BDL- 1 acre, and 1.5 acres is under dispute on account of unauthorized possession by a third party. Lease to DRDO is in the nature of Operating Lease.
2. Claims for reimbursement of cost for 70 acres and 23 guntas of Land transferred by DRDO not acknowledged, as no final settlement has been reached.
3. Pending registration/receipt of claims, no Provision has been made towards stamp Duty on conveyance deeds/conversion of Land use/property taxes/service charges (amount not ascertainable)
4. Plant and Machinery includes ₹ 4984.60 lakhs (31-Mar-2020 ₹ 4984.60 lakhs) for R & D capital costs.
5. Company considered the salvage value as 5% of the Cost of Assets
6. Principal Asset costing ₹100 lakhs and above only are identified for the purpose of componentization of assets.
7. 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.

Notes to Standalone Financial Statements for FY 2020-21

(₹ in Lakhs)

Category	Gross Block	Normal Depreciation		Higher Depreciation		Impact
		Life in Years	Amount ₹ in Lakhs	Life in Years	Amount ₹ in Lakhs	Amount ₹ in Lakhs
Furniture	3.52	10	0.18	5	0.52	0.34
TOTAL	**3.52**		**0.18**		**0.52**	**0.34**
Previous Year	5.70		0.45		1.26	0.81

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

4. INTANGIBLE ASSETS

(₹ in Lakhs)

	Computer software	Copyrights & Patents and other intellectual property rights, services and operating rights	Total Intangible Assets
As at 31st March 2020			
Gross Carrying amount			
Opening gross carrying amount	318.19	24.20	342.39
Additions	-	-	-
Disposals	-	-	-
Closing gross carrying amount	**318.19**	**24.20**	**342.39**
Accumulated depreciation			
Opening accumulated depreciation	199.27	15.45	214.72
Depreciation charge during the year	21.30	2.26	23.56
Disposals	-	-	-
Closing accumulated depreciation	**220.57**	**17.71**	**238.28**
Net Carrying amount	**97.62**	**6.49**	**104.11**
As at 31st March 2021			
Gross Carrying amount			
Opening gross carrying amount	318.19	24.20	342.39
Additions	30.50	-	30.50
Disposals	-	-	-
Closing gross carrying amount	**348.69**	**24.20**	**372.89**
Accumulated depreciation			
Opening accumulated depreciation	220.57	17.71	238.28
Depreciation charge during the year	26.63	2.26	28.89
Disposals	-	-	-
Closing accumulated depreciation	**247.20**	**19.97**	**267.17**
Net Carrying amount	**101.49**	**4.23**	**105.72**

5. CAPITAL WORK-IN -PROGRESS

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Capital Work-in-Progress-Civil	4,191.99	3,481.03
Capital Work-in-Progress- Plant & Machinery Under Erection	49,500.62	36,937.55
Plant, Machinery & Equipment under Inspection & in Transit	1,181.85	63.43
Total	**54,874.46**	**40,482.01**

Notes to Standalone Financial Statements for FY 2020-21

6. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Trade Investments Non-Trade, Unquoted AT COST		
Investment in Equity instruments		
Investment in other entities		
AP Gas Power Corporation Limited (*)		
18,43,857 fully paid up Equity share of ₹ 10/- each including 7,71,847 fully paid up bonus share of face value ₹ 10/- each	107.20	107.20
4,28,800 fully paid up Equity share of ₹ 10/- each subscribed at ₹ 24/- each and paid-up ₹ 24/- each	102.91	102.91
Investments in Joint Venture (**)		
Utkarsha Aluminium Dhatu Nigam Limited	2,000.00	2,000.00
2,00,00,000 fully paid up Equity share of ₹ 10/- each		
Total	**2,210.11**	**2,210.11**

(*) Investment in APGPCL shares are in the nature of security deposit for uninterrupted supply of power which has no specified tenure. Hence, not considered for fair valuation.

(**) Details of Joint venture

Particulars	Principal Activity and place of business	Proportion of ownership Interest / voting rights held by the Company	
		As at 31st March 2021	As at 31st March 2020
Utkarsha Aluminium Dhatu Nigam Limited	For setting up High End Aluminium Alloy Production plant at Nellore, Andhra Pradesh.	50%	50%

7. NON-CURRENT FINANCIAL ASSETS - LOANS

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Unsecured, considered good		
Loans to Vendors	35.60	64.85
Total	**35.60**	**64.85**

8. NON-CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Advance Income Tax	553.82	543.63
Total	**553.82**	**543.63**

Notes to Standalone Financial Statements for FY 2020-21

9. OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st March 2021		As at 31st March 2020	
Capital Advances				
Unsecured, considered good		396.93		999.69
Doubtful	35.46		35.46	
Less: Provision	35.46	-	35.46	-
Sub-Total		396.93		999.69
Others				
Doubtful Advances to supplier	22.52		22.52	
Less: Provision	22.52	-	22.52	-
Obsolete and slow moving -Raw material	77.28		25.78	
Less: Provision	77.28	-	25.78	-
Obsolete and slow moving -consumables	31.61		35.50	
Less: Provision	31.61	-	35.50	-
Obsolete and slow moving -spares	172.39		143.94	
Less: Provision	172.39	-	143.94	-
Total		**396.93**		**999.69**

10. INVENTORIES

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Raw Materials and components	8,441.59	16,322.02
Raw Materials and components -in transit	575.74	5,377.62
Total	**9,017.33**	**21,699.64**
Work-in-progress #	46,233.18	49,444.86
Total	**46,233.18**	**49,444.86**
Finished goods	-	-
Finished goods in transit	648.90	1,596.08
Total	**648.90**	**1,596.08**
Stores and spares	609.07	532.61
Stores and spares -in transit	-	-
Total	**609.07**	**532.61**
Loose Tools	-	0.47
Total	**-**	**0.47**
Consumables	1,815.67	1,790.28
Consumables-in transit	-	1.73
Total	**1,815.67**	**1,792.01**
Internally generated Scrap/rejected material	21,759.64	15,984.70
Total	**21,759.64**	**15,984.70**
Grand Total	**80,083.79**	**91,050.37**

Notes:

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

#Work in progress Include materials lying with sub-contractors ₹ 2622.14 Lakhs (31.03.2020 ₹ 6186.46 Lakhs) and is subject to confirmation of balance by sub-contractors.

Notes to Standalone Financial Statements for FY 2020-21

11. CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31st March 2021		As at 31st March 2020	
Debts Outstanding for period exceeding Six Months				
Unsecured, considered good #		6,919.16		11,065.47
Unsecured, considered doubtful	433.31		646.84	
Less: Provision	433.31	-	646.84	-
Total		**6,919.16**		**11,065.47**
Other Debts				
Unsecured, considered good #		31,694.39		18,674.04
Unsecured, considered doubtful	1,177.80		658.41	
Less: Provision	1,177.80	-	658.41	-
Total		**31,694.39**		**18,674.04**
Grand Total		**38,613.55**		**29,739.51**

For computing the trade receivables normal credit period allowed by the company of thirty days has been taken into consideration for calculating the due date from the date of invoice .

Balances in Trade Receivables, is subject to confirmation and/or reconciliation.

Expected Credit Loss Percentage

Age of receivables	As at 31st March 2021	As at 31st March 2020
Within Credit the Period	2.40%	1.08%
Upto 3 months	3.31%	1.66%
3-6 months	16.40%	7.53%
6-9 months	30.16%	18.46%
9-12 months	71.16%	72.12%
>12 months	100.00%	100.00%
Specific Provision (₹ In Lakhs) relating to Defence, Govt and PSU customer dues	212.90	441.62
Specific Provision (₹ In Lakhs) relating to Defence, Govt, PSU, Private customer dues (LD)	1392.2	844.76

(₹ in Lakhs)

Age of receivables	As at 31st March 2021	As at 31st March 2020
Private Customers -Unsecured		
Within Credit the Period	56.86	4.19
Upto 3 months	51.72	72.26
3-6 months	5.13	-
6-9 months	-	-
9-12 months	1.00	-
>12 months	1.38	17.63
Private Customers -secured	125.30	2.13
Defence, Govt and PSU customer dues	39,983.27	30,948.55

Movement in Provision made against Trade Receivables

(₹ in Lakhs)

Particulars	Total
Loss allowance as on 31st March 2020	1,305.25
Changes in loss allowance	305.86
Loss allowance as on 31st March 2021	1,611.11

Notes to Standalone Financial Statements for FY 2020-21

12. CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Balances with Banks		
In Current Accounts	3,385.57	984.11
In Deposit Accounts #	5,999.83	6,284.14
Cash on hand	1.61	2.78
Total	**9,387.01**	**7,271.03**

Balances in deposit accounts represents term deposits with maturities of one year or less and can be liquidated as and when required by the Company, hence classified as cash and cash equivalents.

13. CURRENT FINANCIAL ASSETS - BANK BALANCES [OTHER THAN (NOTE 12) ABOVE]

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Earnest Money Deposits with IndusInd Bank	-	98.48
Unpaid Dividend	7.49	4.30
Term Deposits*	0.17	3,715.86
Total	**7.66**	**3,818.64**

* Balances in Term Deposit Accounts includes ₹ 0.17 lakhs (31.03.2020 ₹ 3715.86 lakhs) pledged for secured over drafts availed against the deposits with various banks.

14. CURRENT FINANCIAL ASSETS - OTHERS

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Loans and advances to employees	23.90	16.89
Interest accrued on loans to employees	-	0.06
Claims receivable	67.28	59.14
Deposits with others	729.51	761.47
Interest accrued on bank deposits	3.92	484.25
Loans to Vendors	30.61	13.55
Total	**855.22**	**1,335.36**

15. OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Assets held for disposal	8.52	1.96
Prepaid expenses	201.96	183.57
GST/Customs duty receivable	15,806.31	17,693.42
Others		
Unsecured, considered good		
Advance to suppliers	145.18	329.59
Total	**16,161.97**	**18,208.54**

Notes to Standalone Financial Statements for FY 2020-21

16. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Authorised		
Equity shares		
20,00,00,000 shares @ ₹ 10/- per share	20,000.00	20,000.00
(Previous Year 20,00,00,000 shares @ ₹ 10/- per share)		
	20,000.00	**20,000.00**
Issued		
Equity shares		
18,73,40,000 shares @ ₹ 10/- per share	18,734.00	18,734.00
(Previous Year 18,73,40,000 shares @ ₹ 10/- per share)		
	18,734.00	**18,734.00**
Subscribed and fully Paid up		
Equity shares		
18,73,40,000 shares @ ₹ 10/- per share	18,734.00	18,734.00
(Previous Year 18,73,40,000 shares @ ₹ 10/- per share)		
	18,734.00	**18,734.00**
Total	**18,734.00**	**18,734.00**

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

(₹ in Lakhs)

Particulars	As at 31st March 2021		As at 31st March 2020	
	No. of Shares	Amount (₹ in Lakhs)	No. of Shares	Amount (₹ in Lakhs)
Outstanding as at Opening Date	18,73,40,000	18,734.00	18,73,40,000	18,734.00
Add: Issued during the period	-	-	-	-
Less: Buy-back during the period (if any)	-	-	-	-
Outstanding as at Closing Date	**18,73,40,000**	**18,734.00**	**18,73,40,000**	**18,734.00**

Terms/right attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share (Previous Year ₹ 10 per share). Each equity share represents one voting right.

Details of shareholders holding more than 5% shares in the Company

(₹ in Lakhs)

Particulars	As at 31st March 2021		As at 31st March 2020	
	No. of Shares	% holding	No. of Shares	% holding
Equity shares of ₹ 10/- each fully paid-up (Previous Year ₹ 10/- each)				
President of India	13,86,31,600	74.00%	13,86,31,600	74.00%
HDFC Trustee Company Ltd. A/c HDFC Balanced Advantage Fund	1,50,45,195	8.03%	1,23,18,595	6.58%

Notes to Standalone Financial Statements for FY 2020-21

17. OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31st March 2021		As at 31st March 2020	
General Reserve				
Opening Balance		70,575.87		64,075.87
Less: Depreciation adjustment		-		-
		70,575.87		64,075.87
Add: Additions during the year		9,000.00		6,500.00
Sub-total		**79,575.87**		**70,575.87**
Retained Earnings				
Opening Balance		6,461.83		398.75
Add: Amount transferred from statement of profit and loss		16,629.15		15,973.38
Amount available for appropriation		23,090.98		16,372.13
Less: Appropriations				
Interim Dividend	2,248.08		1,873.40	
Final Dividend	2,922.53		955.43	
Dividend Tax	-		581.47	
Transferred to General Reserve	9,000.00	14,170.61	6,500.00	9,910.30
Sub-total		**8,920.37**		**6,461.83**
Components of other comprehensive income				
Opening Balance		66.96		262.29
Add: Remeasurement of the net defined benefit liability / asset, net of tax effect		(34.09)		(195.33)
Sub-total		**32.87**		**66.96**
Total		**88,529.11**		**77,104.66**

18. NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Unsecured		
Advances - Augmentation Facilities - VSSC	-	18.41
(This represents balance amount payable (net of ₹ 25.66 lakhs (31.03.2020 ₹ 50.00 lakhs) repayable within 12 months and treated as Other Current Liability and included under Note No.26) against refundable loan of ₹ 478.38 lakhs received from VSSC for upgradation of forge press.)		
Total	**-**	**18.41**

Maturity Profile of Term Loan:

(₹ in Lakhs)

Particulars	Maturity Profile 2021-22
VSSC	28.38

19. NON-CURRENT FINANCIAL LIABILITIES - OTHERS

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Grants - Customer Financed Projects	39,461.20	32,597.80
Total	**39,461.20**	**32,597.80**

Notes to Standalone Financial Statements for FY 2020-21

20. NON-CURRENT LIABILITIES - PROVISIONS

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for employee benefits		
Provision for gratuity	105.23	93.01
Provision for compensated absences	31.44	32.17
Total	**136.67**	**125.18**

21. DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Deferred Tax Liabilities		
On Depreciation	3,715.84	3,495.82
Sub Total	**3,715.84**	**3,495.82**
Deferred Tax Assets		
On Provision	330.56	364.32
On Disallowance as per IT Act	7.91	8.10
Sub Total	**338.47**	**372.42**
Net Total	**3,377.37**	**3,123.40**

Movement in deferred tax

(₹ in Lakhs)

Particulars	Closing Balance 31-Mar-2020	Charge/Credit during the year 2020-21	Closing Balance 31-Mar-2021
Deferred Tax Assets			
Provision for Non Moving Stores	51.65	19.14	70.79
Provisions for Doubtful Debts	115.90	(60.80)	55.10
Provisions for Doubtful Adv / Claims	5.67	-	5.67
Provision for Contingencies & Warranty	138.85	1.99	140.84
AMTL Leave Provision	8.10	(0.19)	7.91
OFB Interest Differences (Net)	44.94	8.99	53.93
VSSC Interest Differences (Net)	7.31	(3.08)	4.23
Total Assets	**372.42**	**(33.95)**	**338.47**
Deferred Tax Liability			
Depreciation	3,495.82	220.02	3,715.84
Total Liability	**3,495.82**	**220.02**	**3,715.84**
Net Liability	**3,123.40**	**253.97**	**3,377.37**

Notes to Standalone Financial Statements for FY 2020-21

22. OTHER NON-CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Advances		
Advances from Customers	25,182.89	31,837.69
Others		
Material Received on Loan - Kaveri Project	26.33	26.33
Other Liabilities - VSSC	54.72	54.72
Other Liabilities - OFB	130.93	131.93
Advances Others	64.57	64.57
Deferred Income	6,112.64	6,294.68
Total	**31,572.08**	**38,409.92**

23. CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Secured		
Loans repayable on demand		
From Banks		
Cash Credit	7.68	(0.04)
(By hypothecation of Raw materials, stock in process, finished good and book debts.)		
From various banks-short term overdraft secured by pledge of fixed deposits	0.15	3,344.27
Secured by Fixed Deposits of ₹ 0.17 lakhs (31.03.2020 ₹ 3715.86 lakhs)		
Unsecured		
From Banks		
Short Term Loans	11,035.72	10,000.00
Commercial Paper	5,000.00	-
Total	**16,043.55**	**13,344.23**

24. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Micro & Small Enterprises	546.48	175.44
Others @	8,010.23	12,714.40
Total	**8,556.71**	**12,889.84**

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

Notes to Standalone Financial Statements for FY 2020-21

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 :

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Amount due and Payable at the year end		
Principal	546.48	175.44
Interest on above Principal	51.65	27.38
Payments made during the year after the due date		
Principal	2,188.14	1,571.40
Interest on above Principal	-	-
Interest due and payable for principals already paid	56.92	44.40
Total Interest accrued and remained unpaid at year end	108.57	71.78

25. CURRENT FINANCIAL LIABILITIES - OTHERS

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Earnest money deposit	10.68	17.80
Security Deposit	299.51	269.36
Liabilities to customers	1,535.45	1,531.60
Capital creditors	2,590.51	1,340.12
Employee payables	1,301.32	1,254.92
Unpaid Dividend	7.49	4.30
Total	**5,744.96**	**4,418.10**

26. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Advances received from customers	16,802.83	21,304.96
Advance for Customer Financed projects	8,269.06	6,679.49
Material Received on Loan - Others	4,221.98	7,893.87
Statutory liabilities	182.12	113.69
Total	**29,475.99**	**35,992.01**

27. CURRENT - PROVISIONS

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for employee benefits		
Provision for compensated absences	213.27	523.61
Provision for gratuity	241.85	426.63
Provision for post retirement medical scheme	155.40	154.80
Provision for pension scheme	371.00	371.40
Provision for other employee benefits	1,940.00	1,001.66
Other Provisions		
Provision for contingencies and warranty	559.60	551.68
Provision for Income Tax	947.89	-
Other provisions	11.04	11.04
Total	**4,440.05**	**3,040.82**

Notes to Standalone Financial Statements for FY 2020-21

Movement in Provisions (Short term and Long term)

(₹ in Lakhs)

Particulars	As at 01.04.2020	Additions	Utilization	Reversal	As at 31.03.2021
Compensated absences	555.78	366.86	677.93	0.00	244.71
Gratuity	519.64	197.27	369.83	0.00	347.08
Post retirement medical scheme	154.80	155.40	154.80	0.00	155.40
Pension Scheme	371.40	371.00	371.40	0.00	371.00
Contingencies and Warranty	551.68	7.92	0.00	0.00	559.60
Others	1012.70	1040.00	101.66	0.00	1951.04
Total	**3166.00**	**2138.45**	**1675.62**	**0.00**	**3628.83**

28. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Sale of Manufacturing Products	77,877.12	69,237.93
Export Sales	1,942.47	1,042.04
Sale of Services	615.36	604.55
Other Operating Revenues	888.13	403.05
Total	**81,323.08**	**71,287.57**

29. OTHER INCOME

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Interest Income		
From Banks	266.55	1,157.21
From Employees	-	0.01
From Others	163.32	177.97
Liquidated Damages	394.62	881.68
Net gain on sale of Fixed Assets	1.20	11.28
Income from Sale of Unserviceable Scrap	238.49	99.34
Excess Liabilities written back	825.35	1,232.05
Grant Income	24.00	24.00
Other miscellaneous income	69.59	60.09
Total	**1,983.12**	**3,643.63**

Details of other miscellaneous income

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Sale of Application Forms (Personnel)	0.50	1.99
Others	69.09	58.10
Total	**69.59**	**60.09**

Notes to Standalone Financial Statements for FY 2020-21

30. COST OF MATERIAL CONSUMED

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Cost of Material for manufactured products	17,007.05	37,660.59
Total	**17,007.05**	**37,660.59**

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

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Opening Stock		
Work-in-progress	49,444.86	24,769.48
Finished Stock	1,596.08	548.12
	51,040.94	**25,317.60**
Closing Stock		
Work-in-progress	46,233.18	49,444.86
Finished Stock	648.90	1,596.08
	46,882.08	**51,040.94**
(Increase) / Decrease		
Work-in-progress	3,211.68	(24,675.38)
Finished Stock	947.18	(1,047.96)
Total	**4,158.86**	**(25,723.34)**

32. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Salaries & Wages		
Salaries & Wages	8,301.40	8,190.48
Leave Encashment	366.86	685.32
Directors remuneration	94.81	245.34
Contribution to Provident and other Funds		
Contribution to provident fund	650.70	640.18
Employees Gratuity	151.72	164.86
Leave salary and pension contribution	371.00	371.40
Staff Welfare & Training		
Workmen and staff welfare expense	2,164.55	2,050.88
Total	**12,101.04**	**12,348.46**

(i) Gratuity

Gratuity payable to eligible employees is administered by a separate Trust, which has taken a policy with LICGGF. The annual demand computed through actuarial valuation is charged to Statement of Profit and Loss and other comprehensive income

Notes to Standalone Financial Statements for FY 2020-21

Expenses Recognised during the period

(₹ in Lakhs)

Particulars	2020-21	2019-20
In Income Statement	200.85	168.75
In Other Comprehensive Income	45.55	261.03
Net Liability	**246.40**	**429.78**

Assets and Liability (Balance Sheet Position)

(₹ in Lakhs)

Particulars	2020-21	2019-20
Present Value of Obligation	3,595.65	4,120.91
Fair Value of Plan Assets	3,353.80	3,694.28
Surplus / (Deficit)	(241.85)	(426.63)
Effects of Asset Ceiling, if any	-	-
Net Assets / (Liability)	**(241.85)**	**(426.63)**

Changes in the Present Value of Obligation

(₹ in Lakhs)

Particulars	2020-21	2019-20
Present Value of Obligation as at beginning	4,120.91	4,057.42
Current Service Cost	172.50	153.67
Interest Expense or Cost	273.85	311.06
Re-measurement (or Actuarial) (gain) / loss arising from:	-	-
- change in demographic assumptions	-	(0.56)
- change in financial assumptions	(24.32)	224.97
- experience variance (Actual Vs assumptions)	61.23	(4.80)
Past Service Cost	-	-
Effect of change in foreign exchange rates	-	-
Benefits Paid	(1,008.52)	(620.85)
Acquisition Adjustment	-	-
Effect of business combinations or disposals	-	-
Present Value of Obligation as at the end	**3,595.65**	**4,120.91**

Bifurcation of net liability

(₹ in Lakhs)

Particulars	2020-21	2019-20
Current Liability (Short term)	-	-
Non-Current Liability (Long term)	241.85	426.63
Net Liability	**241.85**	**426.63**

Notes to Standalone Financial Statements for FY 2020-21

Changes in the Fair Value of Plan Assets

(₹ in Lakhs)

Particulars	2020-21	2019-20
Fair Value of Plan Assets as at the beginning	3,694.28	3,860.68
Investment Income	245.50	295.97
Employer's Contribution	431.18	199.90
Expenses	-	-
Employee's Contribution	-	-
Benefits Paid	(1,008.52)	(620.85)
Return on plan assets , excluding amount recognised in net interest expense	(8.64)	(41.42)
Acquisition Adjustment	-	-
Fair Value of Plan Assets as at the end	**3,353.80**	**3,694.28**

Expenses Recognised in the Income Statement

(₹ in Lakhs)

Particulars	2020-21	2019-20
Current Service Cost	172.50	153.67
Past Service Cost	-	-
Loss / (Gain) on settlement	-	-
Expected return on Asset	-	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	28.35	15.08
Actuarial Gain/Loss	-	-
Expenses Recognised in the Income Statement	**200.85**	**168.75**

Other Comprehensive Income

(₹ in Lakhs)

Particulars	2020-21	2019-20
Actuarial (gains) / losses		
- change in demographic assumptions	-	(0.56)
- change in financial assumptions	(24.32)	224.97
- experience variance (i.e. Actual experience vs assumptions)	61.23	(4.80)
- others	-	-
Return on plan assets, excluding amount recognized in net interest expense	8.64	41.42
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
Components of defined benefit costs recognised in other comprehensive income	**45.55**	**261.03**

Actuarial assumptions

(₹ in Lakhs)

Particulars	2020-21	2019-20
Discount rate (per annum)	6.75%	6.65%
Salary growth rate (per annum)	8.00%	8.00%

Demographic assumptions

(₹ in Lakhs)

Particulars	2020-21	2019-20
Mortality rate	100.00%	100.00%
Withdrawal rate (per annum)	Upto 3% based on age	Upto 3% based on age

Notes to Standalone Financial Statements for FY 2020-21

Table of sample mortality rates from Indian Assured Lives Mortality 2012-14

Mortality (per annum)

Age	Male	Female
20 years	0.092%	0.092%
25 years	0.093%	0.093%
30 years	0.098%	0.098%
35 years	0.120%	0.120%
40 years	0.168%	0.168%
45 years	0.258%	0.258%
50 years	0.444%	0.444%
55 years	0.751%	0.751%
60 years	1.116%	1.116%
65 years	1.593%	1.593%
70 years	2.406%	2.406%

Sensitivity analysis

(₹ in Lakhs)

Particulars	31-Mar-21		31-Mar-20	
Defined Benefit Obligation (Base)	4,120.91		4,120.91	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	3,858.66	3,370.76	4,383.28	3,894.34
(% change compared to base due to sensitivity)	7.3%	-6.3%	6.4%	-5.5%
Salary Growth Rate (- / + 1%)	3,469.46	3,733.97	4,003.50	4,246.05
(% change compared to base due to sensitivity)	-3.5%	3.8%	-2.8%	3.0%
Attrition Rate (- / + 1%)	3,572.36	3,612.54	4,102.13	4,134.04
(% change compared to base due to sensitivity)	-0.6%	0.5%	-0.5%	0.3%
Mortality Rate (- / + 10%)	3,594.75	3,596.56	4,120.02	4,121.79
(% change compared to base due to sensitivity)	0.0%	0.0%	0.0%	0.0%

Expected cash flows over the next (valued on undiscounted basis):

(₹ in Lakhs)

1 year	672.49
2 to 5 years	1,962.73
6 to 10 years	773.52
More than 10 years	3,351.12

(ii) Leave obligations

The leave obligations cover the Company's liability for the earned leave. The retirement benefit relating to leave encashment is administered through a Group Leave Encashment Scheme with LIC of India. The annual demand computed through actuarial valuation is charged to Statement of Profit and Loss

Bifurcation of net liability

(₹ in Lakhs)

Particulars	31-Mar-21	31-Mar-20
Current Liability (Short term)	283.12	424.09
Non-Current Liability (Long term)	2,309.98	2,214.47
Net Liability	**2,593.10**	**2,638.56**

Notes to Standalone Financial Statements for FY 2020-21

(iii) Pension

As per the Department of Defence Production, Ministry of Defence, GOI, Guidelines No.8(112)/2012/D(Coord/DDP) dt. 11.11.2013, the contribution to Pension Scheme has to be restricted to a maximum of 10% (7% with the approval of Board and 3% with the prior approval of the Ministry of Defence) of Basic+DA in a financial year. The Current year contribution to pension fund has been provided @ 7% of Basic + DA in line with the MoD guidelines

33. FINANCE COST

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Interest expense		
Cash Credit	10.67	47.20
Short Term Overdrafts	86.94	234.45
Interest - Others	292.08	278.78
Interest - Term Loan	796.46	31.17
Discount on issue of Commercial Paper	13.38	-
Total	**1,199.53**	**591.60**

34. OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Travelling Expenses		
Travelling and conveyance	46.41	303.06
Hire of cars	11.99	48.42
Communication Expenses		
Postage & telephone	59.65	56.73
Repairs & maintenance expenses		
Buildings	534.12	407.27
Plant and machinery	306.72	312.04
Others	130.82	143.49
Rent, rates & taxes		
Rates and taxes	8.69	6.21
Rent	43.22	39.67
Printing and stationery		
Printing and stationery	11.79	17.53
Office maintenance expenses		
Security guard charges	648.99	637.97
Administration expenses-Others	322.33	336.32
Power & fuel		
Power and fuel	4,087.25	6,056.83
Sub-contractor expenses		
Sub-contractor expenses	10,550.31	9,891.94
General expenses		
CSR Expenses	350.92	395.27
Bad debts written off	136.55	70.14
Fixed Assets written off	17.46	2.01
Sales schemes	1,633.09	1,964.99
Library books	0.27	0.43
News paper and journals	10.24	12.63
Membership fees	8.43	42.25

Notes to Standalone Financial Statements for FY 2020-21

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Training expenses	10.38	76.04
Entertainment/courtesy expenses	1.67	7.70
Hostel/guest house expenses net of income	21.64	31.45
Business promotion expenses	55.14	218.35
Directors sitting fees	-	7.20
Factory expenses	140.12	271.05
Advertisement	67.55	102.79
Water charges	144.92	145.00
Consumption of stores, loose tools and spare parts		
Consumption of stores, loose tools and spare parts	3,589.53	4,827.49
Insurance expenses		
Insurance	215.59	171.29
Professional charges		
Legal and professional fees	9.29	8.83
Internal Audit Fee	10.45	12.59
Consultancy charges	146.90	161.77
Contract professionals expenses	16.59	12.42
R& D Expenses		
R & D Contribution	2.87	17.50
Exchange fluctuation		
Exchange rate variance charged off	16.01	55.31
Auditors remuneration		
Auditor's remuneration(As per details below)	9.50	7.52
Finance & bank charges		
Bank charges	69.42	136.78
Provision for non moving inventories	76.06	33.74
Provision for Contingencies & Warranty		
Provision for Contingencies & Warranty	7.92	183.81
Total	**23,530.80**	**27,233.83**

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

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Consumption of materials	640.26	67.25
Conversion costs	521.75	78.32
Other Expenditure	107.27	169.12
R & D Contribution	2.68	17.50
Total	**1,271.96**	**332.19**

Remuneration and other payments to the auditor

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Auditor		
(a) Statutory Audit	8.00	6.12
(b) Tax Audit	1.40	1.40
(c) Other Services	0.10	-
Total	**9.50**	**7.52**

Notes to Standalone Financial Statements for FY 2020-21

Details of Corporate Social Responsibility

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Promoting Education	135.72	132.68
Protection of Environmental & Ecology balancing Projects	-	-
Promotion of Health	143.51	170.07
Women Empowerment	-	-
Other Projects	71.69	92.52
Total	**350.92**	**395.27**

35. INCOME TAX EXPENSE

This note provides an analysis of the Company's income tax expense, shows amounts that are recognised directly in the equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax positions.

(a) Income tax expense

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Current tax		
Current tax on profits for the year	5,736.94	5,006.99
Earlier year tax	(22.13)	19.15
	5,714.81	**5,026.14**
Deferred tax		
Decrease (increase) in deferred tax liabilities	(253.97)	856.60
Total income tax expense	**5,968.78**	**4,169.54**

(b) Reconciliation of tax expense and the accounting profit multiplied India's tax rate

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2021		For the Year Ended 31st March 2020	
Profit before tax		**22,563.84**		**19,947.59**
Tax at Indian tax rate of 25.168%		5,678.87		5,020.40
Add:				
Depreciation under Companies Act	2,699.53		2,611.44	
Disallowances under Sec 43B	-		-	
Provision for Doubtful Debts	(241.58)		(122.40)	
Provision for non moving stores and spares	76.06		33.74	
R&D expenditure	-		-	
Provision for contingency & warranty	7.92		183.81	
Provision for obselete items	-		-	
Provision for doubtful claims			-	
CSR Expenses	350.92		395.27	
OFB Deferred Exp (Net-off)	35.70		35.76	
VSSC Deferred Exp (Net-off)	(12.26)		(8.21)	
AMTL Leave Provision	(0.73)		9.05	
Provision for advance to suppliers	-		-	
Others	108.58		71.78	
	3,024.14		**3,210.24**	

Notes to Standalone Financial Statements for FY 2020-21

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2021		For the Year Ended 31st March 2020	
Less:				
Earlier years liability discharged in the current year	-		-	
Donations 80G - Akshaya Patra Foundation			-	
Depreciation as per IT Act	3,020.23		3,263.54	
R & D weighted deductions	-		-	
	3,020.23		**3,263.54**	
Net Adjustments (Additions - Deductions)	**3.91**	**0.98**	**(53.30)**	**(13.41)**
Tax Liability		5,679.85		5,006.99
Interest		57.09		-
Earlier Year Tax		(22.13)		19.15
MAT Credit Entitlement		-		-
Deferred Tax		253.97		(856.60)
Total		**5,968.78**		**4,169.54**

FINANCIAL INSTRUMENTS

36. Fair value measurements

A. Financial instruments by category

(₹ in Lakhs)

	31st March 2021				31st March 2020			
	FVPL	FVOCI	Amortized Cost	Total	FVPL	FVOCI	Amortized Cost	Total
Financial assets								
Trade receivables	-	-	38,613.55	38,613.55	-	-	29,739.51	29,739.51
Cash and cash equivalents	-	-	9,394.67	9,394.67	-	-	11,089.67	11,089.67
Loans	-	-	35.60	35.60	-	-	64.85	64.85
Other financial assets	-	-	855.22	855.22	-	-	1,335.36	1,335.36
Total	**-**	**-**	**48,899.04**	**48,899.04**	**-**	**-**	**42,229.39**	**42,229.39**
Financial liabilities								
Borrowings	-	-	16,043.55	16,043.55	-	-	13,362.64	13,362.64
Trade payables	-	-	8,556.71	8,556.71	-	-	12,889.84	12,889.84
Other financial liabilities	-	-	45,206.16	45,206.16	-	-	37,015.90	37,015.90
Total	**-**	**-**	**69,806.42**	**69,806.42**	**-**	**-**	**63,268.38**	**63,268.38**

Note : For the purpose of above abbreviations, FVPL - Fair value through profit and loss; FVOCI - Fair value through other comprehensive income; Amortized cost - Fair value through amortized cost

(1) Assets that are not financial assets (such as receivables from statutory authorities, export benefit receivables, prepaid expenses, advances paid and certain other receivables) as of March 31, 2021, March 31, 2020 respectively, are not included.

(2) Other liabilities that are not financial liabilities (such as statutory dues payable, deferred revenue, advances from customers and certain other accruals) as of March 31, 2021, March 31, 2020 are not included.

(i) Fair value of financial asset and financial liabilities measured at amortized cost

The carrying amounts of trade receivables, trade payables, borrowings, cash and cash equivalents and other current financial liabilities are considered to be the same as their fair values, due do their short-term nature.

Notes to Standalone Financial Statements for FY 2020-21

37. Financial risk management

Risk management framework

The Company has a Board approved Risk Management Policy and the Risks involved at the various processes in the Company are also being discussed in the internal Production Review Meetings and Corporate Management Committee Meetings. The identification of the risk elements faced by the company is listed out in Management Discussion and Analysis and also listed out in the form of SWOT analysis.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company has put in place all required internal controls and systems to meet all the canons of financial propriety. External Audit firms who were engaged to carry out internal audit, continue their efforts to ensure adequacy of such systems, controls and report thereon which were subject to periodical review by Audit Committee appointed by the Board.

The Board of Directors monitors the compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Company has exposure to the following risks arising from financial instruments:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables	Aging analysis	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Further quantitative disclosures are included throughout these financial statements.

i. Credit risk

a) Credit risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Company's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. Majority of trade receivables of the Company, originate from Government owned entities, which are not exposed to high risk, the Company is making specific provisions based on case to case reviews and approved by Board. Whereas, for other customers risk is measured using the expected credit loss provisional matrix and provision is recognized accordingly.

b) Provision for expected credit loss

The Company provides for expected credit loss based on the following :

Expected credit loss for loans, security deposits

The Company's loans and security deposits are high quality assets having neglible credit risk, hence expected credit loss have not been computed

Expected credit loss for trade receivables

c) Reconciliation of loss allowance provision - trade receivables (₹ in Lakhs)

Loss allowance on 31 March 2020	1,305.25
Changes in loss allowance	305.86
Loss allowance on 31 March 2021	1,611.11

Notes to Standalone Financial Statements for FY 2020-21

Expected credit loss on trade receivables has been disclosed in note 11

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

At March 31, 2021, the maximum exposure to credit risk for trade receivables by geographic region was as follows.

Particulars	Carrying amount (₹ in Lakhs)	
	March 31, 2021	**March 31, 2020**
India	39,695.84	30,821.05
Outside India	528.82	223.71
	40,224.66	**31,044.76**

At March 31, 2021, the maximum exposure to credit risk for trade receivables by type of counterparty was as follows:

Particulars	Carrying amount (₹ in Lakhs)	
	March 31, 2021	**March 31, 2020**
Government, Government undertakings and other secured debts	39,983.27	30,948.55
Others	241.39	96.21
	40,224.66	**31,044.76**

Impairment

Majority of trade receivables originate from Government owned entities, which are not exposed to high risk, the Company is making specific provisions based on case to case reviews and approve by Board. Whereas, for private customers, provision is determined using expected credit loss provisional matrix.

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 9,387.01 Lakhs at March 31, 2021 (March 31, 2020: ₹ 7,271.03 Lakhs).

The Company is investing in Fixed Deposits with various banks empanelled by the Investment Committee which is approved by the Board. All such deposits are made only with the approval of the Investment Committee. Further, management believes that cash and cash equivalents are of low risk in nature and hence no impairment has been recognized.

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Company ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Company maintains the following lines of credit.

Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

Notes to Standalone Financial Statements for FY 2020-21

(₹ in Lakhs)

Contractual maturities of financial liabilities	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 year to 2 years	Between 2 years to 5 years	Total
31 March 2021						
Non derivatives						
Borrowings	5007.83	11035.72				16043.55
Trade payables	8404.24	57.47	95.00			8556.71
Other financial liabilities	5,744.96					5744.96
Total non-derivative liabilities	**19157.03**	**11093.19**	**95.00**	**-**	**-**	**30345.22**

iii. Market risk

(a) Foreign currency risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Since majority of the company's operations are being carried out in India and since all the material balances are denominated in its functional currency, the company does not carry any material exposure to currency fluctuation risk.

(b) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The Company's external borrowings carries a fixed interest rate of 7.15% per annum, hence, no interest rate risk has been determined.

38. Capital Management

(a) Risk management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. In comparison the weighted average interest expense on interest-bearing borrowings (excluding liabilities with imputed interest) was 7.15 percent (2020: 8.70 percent).

The Company's debt to adjusted capital ratio at the end of the reporting period was as follows:

(₹ in Lakhs)

Particulars	As at 31 March 2021
Total liabilities	1,38,808.58
Less : Cash and cash equivalent	9,387.01
Adjusted net debt	**1,29,421.57**
Total equity	1,07,263.11
Less : Hedging reserve	-
Adjusted equity	**1,07,263.11**
Adjusted net debt to adjusted equity ratio	1.21

Notes to Standalone Financial Statements for FY 2020-21

39. Operating segments

The Company is in the business of manufacturing of super alloys and other special metals. Considering the core activities of the Company, management is of the view that the Company operates a single business segment. Therefore, there is no other reportable segment. Further, Ministry of Corporate Affairs (MCA) has exempted the companies engaged in defence production from the requirement of Segment Reporting.

40. Related party transactions

Parent entity

Name	Type	Place of incorporation	Ownership interest	
			31-Mar-21	31-Mar-20
The President of India	Holding Company	India	74%	74%

Transactions with key management personnel

Key management personnel compensation

(₹ in Lakhs)

Name of the party	31 March 2021					31 March 2020
	Salaries & wages	PF & EPS	Gratuity	Leave encashment	Total	Total
(a) Dr.D.K.Likhi, C&MD (Upto 30.04.2020)	4.38	0.33	14.35	9.03	28.09	108.08
(b) Dr. Sanjay Kumar Jha Director, P&M (Up to 30.4.2020) & C&MD (w.e.f 01.05.2020)"	46.73	3.75		-	50.48	87.79
(c) Shri N Gowri Sankara Rao, Director (F) (W.e.f. 27-Oct-2020)"	15.03	1.21			16.24	-
(d) Shri Paul Antony, CS	12.72	1.02			13.74	14.58
Total	**78.86**	**6.31**	**14.35**	**9.03**	**108.55**	**210.45**

Joint Ventures:

During the year the company has made the following transactions with the JVs

(₹ in Lakhs)

Name of Joint Venture	Nature of Transaction	Year ended 31.03.2021	Year ended 31.03.2020
Utkarsha Aluminium Dhatu Nigam Limited	Equity contribution	-	2,000.00

Balance at the end of reporting day

(₹ in Lakhs)

Name of Joint Venture	Nature of Transaction	Year ended 31.03.2021	Year ended 31.03.2020
Utkarsha Aluminium Dhatu Nigam Limited	Investment in equity	2000.00	2,000.00

41. Contingent liabilities and commitments (to the extent not provided for)

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
(i) Contingent liabilities		
Claims against the company not acknowledged as debt	7,585.75	5,935.34
Bank Guarantees	3,123.48	2,833.53
Letter of credit outstanding	1,472.12	2,681.93
	12,181.35	**11,450.80**

Notes to Standalone Financial Statements for FY 2020-21

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Capital commitments)	7,161.93	11,891.62
	7,161.93	**11,891.62**

42. Earnings per share (EPS)

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

i. Profit attributable to Equity holders of company

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Profit attributable to equity holders of the Company (₹ in Lakhs)	16,629.15	15,973.38
Weighted average number of equity shares outstanding during the period	18,73,40,000	18,73,40,000
Face value of share (₹)	10	10
Earnings per share basic and diluted (₹ per share)	8.88	8.53

43. Impact analysis of new corporate tax rates

Taxation Laws (Amendment) Ordinance, 2019 has been promulgated by the President of India. The Ordinance has amended the Income-tax Act, 1961 and the Finance (No. 2) Act, 2019. In order to provide relief to certain domestic companies, a new section 115BAA has been inserted in the I-T Act with effect from Assessment Year 2020-21 to provide an option to domestic companies to pay tax at the rate of 22% plus applicable surcharge and cess. However, the option to avail the benefit of section 115BAA shall be available only when total income of the company is computed without providing for specified deductions or exemptions. After analyzing the impact analysis, company adopted New Provision 115BAA: 22% + 10% Surcharge + 4% Cess. i.e., 25.168% from the financial year 2019-20 (Assessment Year 2020-21).

Accordingly, there was a favorable impact on Tax Expenses and Deferred Tax to the extent of ₹1737.00 lakhs and ₹ 1213.24 lakhs respectively during the previous financial year 2019-20.

Thus, when compared with the previous financial year (which includes the Deferred Tax Benefit of ₹1213.24 lakhs), there was a dip in the Profit after tax of the current financial even though there is an increase in the Profit Before Tax.

44. Impact of COVID-19:

(i) Impact on Operations and Revenue:

(a) Company was not operational for 45 days due to lockdown during the 1st quarter of the financial year 2020-21.

(b) During the 1st quarter, company was not able to operate upto its full capacity due to lockdown, flexible timings and restrictions in night shift operation.

(c) Disruption in supply chain leading to postponement of delivery schedules.

(d) Despite, Q1 of FY 2020-21 adversely impacted by lockdown, with cumulative efforts of workforce, Company achieved highest ever turnover and profit before tax.

(ii) Liquidity Risk:

(a) The Customer base of the Company is majorly in the Government Sectors like Defence, Space Atomic Energy, Ordnance Factories and Public Sector Undertakings. Since many of the customers operating with skeleton staff and with their revised budgets, Company faced certain challenges in arranging the adequate liquidity, however, Company has taken all steps and controlled the situation.

Notes to Standalone Financial Statements for FY 2020-21

(b) The Company has assessed the possible impact of COVID-19 on its financial statements based on the internal and external information available upto the date of approval of these financial results including but not limited to its assessment of company's liquidity, recoverable values of property, plant and equipment, intangible assets and the net realisable values of other assets. The Company continues to monitor changes in future economic conditions while taking steps to improve operational efficiencies and the financial outcome.

45. Disclosure in respect of Commercial Paper

Pursuant to SEBI circular SEBI/HO/DDHS/CIP/P/2019/115 dated October 22, 2019, on ""Framework for listing of Commercial Paper"", information as required under regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 for the year ended March 31, 2021 is as mentioned below:

a) The Commercial Papers (listed) of the Company as on 31st March 2021 are ₹ 5000.00 lakhs. The Company has retained "CRISIL A1+" rating by CRISIL Ratings.

b) Key Financial Information

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Debtors Turnover	2.38	2.19
Inventory Turnover	0.69	0.74
Interest Coverage	22.10	39.57
Current Ratio	2.26	2.17
Debt Equity Ratio	0.15	0.14
Operating Profit Margin (%)	25.36	23.24
Net Profit Margin (%)	20.45	22.41
Return on Networth	16.38	17.82
Debt Service Ratio	1.82	2.09

46. The previous period figures have been regrouped/reclassified, wherever necessary to conform to the current presentation.

Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

To

The Members of
Mishra Dhatu Nigam Limited
Hyderabad

Report on the Audit of the Consolidated Financial Statements

We have issued an Independent Audit Report dated 24.06.2021 on the Ind AS Consolidated Financial Statements as adopted by Board of Directors on even date. Pursuant to the observations of Comptroller and Auditor General of India, we are issuing this Revised Report by including additional disclosures under 'Emphasis of Matter' para and by replacing the phrase 'internal financial controls' with the phrase "internal financial controls with reference to financial statements" at appropriate places and also including additional disclosures in **Annexure "A"** *to comply with the above observations. This report supersedes our earlier report issued on 24.06.2021.*

Opinion

We have audited the accompanying consolidated financial statements of Mishra Dhatu Nigam Limited (hereinafter referred to as "the Company") and its joint controlled entity, which comprise the consolidated balance sheet as at March 31, 2021, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view, in conformity with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended (Ind AS) and the accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its joint controlled entity as at March 31, 2021, of consolidated profit, total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its joint controlled entity in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

The Key Audit matter	How the matter was addressed in our audit
Revenue Recognition	
Refer Accounting Policy Note No.2.3 and Note No. 28 to the standalone financial statements. Revenue Recognition was identified as a key audit matter as the Company as well as its external stakeholders focus on Revenue as a key performance indicator. This could create an incentive for revenue to be overstated or recognised before control has been transferred. The standard on Revenue establishes a comprehensive framework for determining when, how much & whether, revenue could be recognized. Accordingly, this involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation, the appropriateness of the basis used to measure revenue recognition.	Following audit procedures were applied, considering the significance of the matter, amongst others to obtain sufficient appropriate audit evidence: 1. Assessed the appropriateness of the revenue recognition accounting policies whether they are in line with applicable accounting standards. 2. Evaluated the design of key controls and operating effectiveness of the relevant key controls with respect to revenue recognition on selected transactions. 3. Performed substantive testing by sample selection of revenue transactions recorded during the year by testing the underlying documents. 4. Carried out analytical procedures on revenue recognised during the year to identify unusual variances, if any. 5. Tested on sampling basis, whether revenue transactions near to the reporting data have been recognised in the appropriate period by comparing the transactions selected with relevant underlying documentation, including goods delivery notes and the terms of sales. 6. Checked the underlying documentation to verify that the control and ownership has been transferred to the customer.

Key Audit Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matter that we have identified in the current year are as follows:

Emphasis of Matter

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

a) Note No. 9 (Other Non-Current Assets), Note No.11 (Current Financial Assets Trade Receivables), Note No. 14 (Current Financial Assets - Others), Note No. 15 (Other Current Assets), Note No. 22 (Other Non-current Liabilities), Note No. 24 (Trade Payables), Note No. 25 (Current Financial Liabilities Others) and Note No. 26 (Other Current Liabilities) to the Consolidated Financial Statements are subject to receipt of confirmation of balances/reconciliation.

b) We draw attention to Note No. 44 of the consolidated financial statements in which the Company describes the impact arising from the COVID-19 Pandemic.

c) After completion of tenure of Independent Directors, the composition of Company's Board and other Board Sub-Committee is not in line with SEBI (LODR) Regulations 17, 18, 19, 20 & 21. National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) have levied penalties for non-compliance of above SEBI LODR regulations amounting to ₹ 65.75 Lakhs. Company has no role to play in the appointment of Directors of the Board and hence the penalty is not accepted and representations are made by Company for waiver of the same.

Our opinion on the Consolidated Financial Statements is not modified in respect of the above matters.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information contained in Directors' Report including Annual Report on CSR Activities, Management Discussion & Analysis Report, Business Responsibility Report, Report on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo, Report on Corporate Governance annexed thereto, Shareholder Information and other information contained in Annual Report, but does not include the consolidated financial statements and our report thereon. These reports are expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Company including its jointly controlled entity in accordance with accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. The respective Board of Directors of the Company and its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the respective companies and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Company and its jointly controlled entity, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Company and its jointly controlled entity are responsible for assessing their ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management of the Company or the jointly controlled entity either intends to be liquidated or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company and its jointly controlled entity are responsible for overseeing the financial reporting process of each Company and of the jointly controlled entity.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to consolidated financial statements are in place and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its jointly controlled entity to continue as a going concern.

- If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its jointly controlled entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities of the Company and its jointly controlled entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity included in.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Company and such other jointly controlled entity included in the consolidated financial statements regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance of the Company and such other jointly controlled entity included in the consolidated financial statements with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance of the Company and such jointly controlled entity included in the consolidated financial statements, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. The accompanying consolidated financial statements include the Company's share of Net Profit of ₹ 13.13 Lakhs for the year ended March 31, 2021, as considered in consolidated financial statements, in respect of **M/s. Utkarsha Aluminium**

Dhatu Nigam Limited, a jointly controlled entity, whose financial statements have not been audited by us.

The financial statements has been audited by other auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled entity and our report in terms of sub section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid joint venture, is based solely on the report of other auditor.

Our opinion on the Consolidated Financial Statements, and our "Report on Other Legal and Regulatory Requirements" below, is not modified in respect of the above matters with respect to disclosure on leases and our reliance on the work done and the report of the other auditor and financial statements certified by the Board of Directors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(5) of the Act, we give in **Annexure "A"** a statement on the matters contained in directions issued by the Comptroller and Auditors General of India, the action taken thereon and its impact on the accounts and consolidated financial statements of the Company and its jointly controlled entity.

2. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   (b) In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the consolidated financial statements.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

   (e) As per Section 164(2) of the Act regarding disqualification of directors is not applicable to the Company by virtue of Notification No. G.S.R. No.463 (E) dated 05.06.2015 and on the basis of the reports of the statutory auditor of its jointly controlled entity incorporated in India, none of the director of these jointly controlled entities is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure "B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financial Statements.

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

      i. The Company and its jointly controlled entity have pending litigations, the liabilities in respect of which is either provided for or disclosed as contingent liabilities - Refer Note 41 of the Notes on accounts to the consolidated financial statements. The company has disclosed the impact of these pending litigations on the consolidated financial position of the Company including its jointly controlled entity is subject to their judicial outcome;

      ii. The Company including its jointly controlled entity did not have any material foreseeable losses on long-term contracts including derivative contracts.

      iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company or its jointly controlled entity incorporated in India.

For Sarath & Associates
Chartered Accountants
Firm Regn. 05120S

Sd/-
CA S Srinivas
Partner
M.No. 202471
UDIN: 21202471AAAAGT4572

Date : 21.08.2021
Place : Hyderabad

ANNEXURE - "A"

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 OF MISHRA DHATU NIGAM LIMITED

(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date)

Report on the directions under section 143(5) of the Companies Act, 2013 by the Comptroller & Auditor General of India

Sl. No	Directions u/s. 143(5) of the Companies Act, 2013	Auditor's Reply on action taken on the directions	Impact
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated;	Company is using Oracle ERP software to record all business and financial transactions including Purchase Accounting, Sales Accounting, Inventory transactions, Production transactions, Accounts Payable, Accounts Receivable, Fixed Assets, Payroll, Oracle Process Manufacturing and General Ledger and all the modules are integrated with one another. The software itself has built in checks and validations between inter related modules, thus the data accuracy and integrity is maintained. All payment approvals are processed using the approval hierarchy defined in Oracle Module. All the accounting transactions are processed and the Trial Balance is generated from Oracle based ERP System. In view of the above, we confirm that no financial transactions are carried out outside IT systems and hence there is no financial implication on the integrity of the accounts during the Financial Year 2020-21.	NIL
2	Whether there is any restructuring of an existing loan or cases of waiver/ write-off of debts/loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated Whether such cases are properly accounted for?	According to the information and explanation furnished to us and based on our examination of books, there is no restructuring of an existing loan or cases of waiver / write-off of debts / loans/ interest etc made by a lender to the company during the financial year 2020-21. As there is no restructuring of loans, there is no accounting impact	NIL
3	Whether funds (grants/subsidy etc) received / receivable for specific schemes from Central/ State Government or its agencies were properly accounted for/utilized as per its term and conditions? List of the cases if deviation	Based on the examination of the Books and records of the company, during the Financial Year 2020-21, no government grants/funds were received/receivable by the Company for specific schemes from Central/ State Government/ Agencies	NIL

Our reports under Section 143(5) of the Act on the consolidated financial statements of Mishra Dhatu Nigam Limited., in so far as it relates to the joint venture of the Company, to which Section 143(5) of the Act is applicable, is based on the corresponding report of the auditor of such joint venture and information furnished by the management of such joint venture.

For Sarath & Associates
Chartered Accountants
Firm Regn. 05120S

Sd/-
CA S Srinivas
Partner
M.No. 202471
UDIN : 21202471AAAAGT4572

Date : 21.08.2021
Place : Hyderabad

ANNEXURE "B"

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 OF MISHRA DHATU NIGAM LIMITED

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to financial statements of **MISHRA DHATU NIGAM LIMITED** (hereinafter referred to as ("the Company") and considered the auditors' reports on Internal Financial Controls with reference to financial statements of its jointly controlled entity, which are companies incorporated in India, as of that date.

The financial statements of the jointly controlled entity have been audited by other auditor whose reports has been furnished to us and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled entity, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to these jointly controlled entity, is based solely on the reports of the other auditor.

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to the jointly controlled entity, which are companies incorporated in India, is based on the corresponding report of the other auditor of such company.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and jointly controlled entity which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls with reference to financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to Financial Statements.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles.

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

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

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

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Company and its jointly controlled entity, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to Financial Statements issued by the Institute of Chartered Accountants of India.

For Sarath & Associates
Chartered Accountants
Firm Regn. 05120S

Sd/-
CA S Srinivas
Partner
M.No. . 202471
UDIN : 21202471AAAAGT4572

Date : 21.08.2021
Place : Hyderabad

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MISHRA DHATU NIGAM LIMITED, HYDERABAD FOR THE YEAR ENDED 31 MARCH 2021

The preparation of consolidated financial statements of **Mishra Dhatu Nigam Limited, Hyderabad** for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their revised Audit Report dated 21 August 2021 which supersedes their earlier Audit Report dated 24 June 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of **Mishra Dhatu Nigam Limited, Hyderabad** for the year ended 31 March 2021 under section 143(6) (a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of Mishra Dhatu Nigam Limited, Hyderabad and Utkarsha Aluminium Dhatu Nigam Limited, Hyderabad for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

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

02|09|2021

(Santosh Kumar)
Principal Director of Commercial Audit

Place: Bengaluru
Date: 02 September 2021

Consolidated Balance Sheet

as at 31st March, 2021

(₹ in Lakhs)

Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	42,785.85	43,970.52
Capital work-in-progress	5	54,874.46	40,482.01
Intangible assets	4	105.72	104.11
Financial Assets			
(i) Investments	6	2,060.49	2,047.36
(ii) Loans	7	35.60	64.85
Non current tax assets (Net)	8	553.82	543.63
Other non-current assets	9	396.93	999.69
Total non-current assets		**1,00,812.87**	**88,212.17**
Current assets			
Inventories	10	80,083.79	91,050.37
Financial assets			
(i) Trade receivables	11	38,613.55	29,739.51
(ii) Cash and cash equivalents	12	9,387.01	7,271.03
(iii) Bank balances [other than (ii) above]	13	7.66	3,818.64
(iv) Others	14	855.22	1,335.36
Other current assets	15	16,161.97	18,208.54
Total current assets		**1,45,109.20**	**1,51,423.45**
TOTAL ASSETS		**2,45,922.07**	**2,39,635.62**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	18,734.00	18,734.00
Other equity	17	88,379.49	76,941.91
Total equity		**1,07,113.49**	**95,675.91**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	18	-	18.41
(ii) Others	19	39,461.20	32,597.80
Provisions	20	136.67	125.18
Deferred tax liabilities (net)	21	3,377.37	3,123.40
Other non-current liabilities	22	31,572.08	38,409.92
Total non-current liabilities		**74,547.32**	**74,274.71**
Current liabilities			
Financial liabilities			
(i) Borrowings	23	16,043.55	13,344.23
(ii) Trade payables	24	8,556.71	12,889.84
(iii) Other	25	5,744.96	4,418.10
Other current liabilities	26	29,475.99	35,992.01
Provisions	27	4,440.05	3,040.82
Total current liabilities		**64,261.26**	**69,685.00**
TOTAL EQUITY AND LIABILITIES		**2,45,922.07**	**2,39,635.62**

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

As per our report of even date

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

Sd/-
Shri S. Srinivas
Partner
Membership No. 202471

Place: Hyderabad
Date: 24.06.2021

for and on behalf of the Board of Directors

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

Sd/-
Shri. Gowri Sankara Rao Naramsetti
Director (Finance)

Sd/-
Shri Paul Antony
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2021

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31st March 2021	For the year ended 31st March 2020
INCOME			
Revenue From Operations	28	81,323.08	71,287.57
Other income	29	1,983.12	3,643.63
TOTAL INCOME		**83,306.20**	**74,931.20**
EXPENSES			
Cost of material consumed	30	17,007.05	37,660.59
Change in inventories of finished goods, work-in-progress and stock-in-trade	31	4,158.86	(25,723.34)
Employee benefits expense	32	12,101.04	12,348.46
Finance Costs	33	1,199.53	591.60
Depreciation and amortization expense	3, 4	2,699.53	2,611.44
Other expenses	34	23,530.80	27,233.83
TOTAL EXPENSES		**60,696.81**	**54,722.58**
Profit / (Loss) before exceptional items and tax		**22,609.39**	**20,208.62**
Exceptional Items - Income / (Expense)		-	-
Share of Profit / (Loss) of Joint Venture		13.13	(162.75)
Profit / (Loss) before tax		**22,622.52**	**20,045.87**
Tax expense:			
Current Tax	35	5,748.40	5,072.69
Earlier Year Tax		(22.13)	19.15
MAT Credit Entitlement		-	-
Deferred Tax		253.97	(856.60)
Profit / (Loss) for the period		**16,642.28**	**15,810.63**
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		(45.55)	(261.03)
(ii) Income tax relating to items that will not be reclassified to profit or loss		11.46	65.70
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
C Share of other comprehensive income of joint venture		-	-
Other comprehensive income for the year net of tax		**(34.09)**	**(195.33)**
Total Comprehensive Income for the period		**16,608.19**	**15,615.30**
(Comprising Profit / (Loss) and Other Comprehensive Income for the period)			
Earning per equity share (Amount in ₹)			
Basic (₹)		8.88	8.44
Diluted (₹)		8.88	8.44
Weighted average number of shares (Nos.) (Basic & Diluted)		18,73,40,000	18,73,40,000

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

As per our report of even date

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

Sd/-
Shri S. Srinivas
Partner
Membership No. 202471

Place: Hyderabad
Date: 24.06.2021

for and on behalf of the Board of Directors

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

Sd/-
Shri. Gowri Sankara Rao Naramsetti
Director (Finance)

Sd/-
Shri Paul Antony
Company Secretary

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2021

A Equity Share Capital

(₹ in Lakhs)

Particulars	Amount
Balance as at 31st March 2019	**18,734.00**
Changes in Equity Share Capital	-
Balance as at 31st March 2020	**18,734.00**
Changes in Equity Share Capital	-
Balance as at 31st March 2021	**18,734.00**

B Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus		Other Comprehensive Income	Total Other Equity
	Retained Earnings	General Reserve	Other items of Other Comprehensive Income	
Opening Balance as at 1st April 2019	**398.75**	**64,075.87**	**262.29**	**64,736.91**
Changes in Equity Share Capital during the year	-	-	-	-
Profit for the period	15,810.63			**15,810.63**
Remeasurement of the net defined benefit liability / asset, net of tax effect"			(195.33)	**(195.33)**
Dividends	(2,828.83)			**(2,828.83)**
Dividend Distribution Tax	(581.47)			**(581.47)**
Transfer to General Reserve	(6,500.00)	6,500.00		-
Balance as at 31st March 2020	**6,299.08**	**70,575.87**	**66.96**	**77,104.66**
Opening Balance as at 1st April, 2020	**6,299.08**	**70,575.87**	**66.96**	**77,104.66**
Changes in Equity Share Capital during the year	-	-	-	-
Profit for the period	16,642.28			**16,642.28**
Remeasurement of the net defined benefit liability / asset, net of tax effect	-	x	(34.09)	**(34.09)**
Dividends	(5,170.61)	-		**(5,170.61)**
Dividend Distribution Tax	-	-		-
Transfer to General Reserve	(9,000.00)	9,000.00		-
Balance as at 31st March 2021	**8,770.75**	**79,575.87**	**32.87**	**88,379.49**

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

As per our report of even date

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

Sd/-
Shri S. Srinivas
Partner
Membership No. 202471

Place: Hyderabad
Date: 24.06.2021

for and on behalf of the Board of Directors

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

Sd/-
Shri. Gowri Sankara Rao Naramsetti
Director (Finance)

Sd/-
Shri Paul Antony
Company Secretary

Consolidated Statement of Cash Flow

for the year ended 31st March, 2021

(₹ in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Cash flows from operating activities		
Profit/(loss) for the year (before tax)	22,576.97	19,784.84
Adjustments for:		
Share of Profit / Loss of Joint Venture	(13.13)	162.75
Depriciation expense	2,699.53	2,611.44
Finance costs	1,199.53	591.60
Interest income	(429.87)	(1,335.19)
Profit / Loss on sale of Fixed Assets	16.26	(9.27)
	26,049.29	**21,806.17**
Working capital adjustments:		
(Increase) decrease in inventories	10,966.58	(40,166.72)
(Increase) decrease in trade receivables and loans	(8,844.79)	5,419.96
(Increase) decrease in other financial assets	480.14	(186.87)
(Increase) decrease in other non-current assets	602.76	3,621.03
(Increase) decrease in other current assets	2,046.57	(8,693.02)
Increase (decrease) in trade payables	(4,234.65)	73.99
Increase (decrease) in other financial liabilities	8,190.26	15,112.67
Increase (decrease) in provisions	462.83	979.18
Increase (decrease) in non-current liabilities	(6,837.84)	12,520.06
Increase (decrease) in other current liabilities	(6,516.02)	14,461.98
Cash generated from operating activities	22,365.13	24,948.43
Income tax paid (net)	(4,777.11)	(4,504.60)
Net cash from operating activities (A)	**17,588.02**	**20,443.83**
Cash flow from investing activities		
Acquisition of property, plant and equipment	(15,908.92)	(27,168.69)
Profit / Loss on sale of Fixed Assets	(16.26)	9.27
Investment in other projects	(0.00)	(2,000.00)
Interest received	429.87	1,335.19
Investment in fixed deposits	4,000.00	8,300.00
Net cash from investing activities (B)	**(11,495.31)**	**(19,524.23)**
Cash flows from financing activities		
Repayment of borrowings	2,680.91	2,696.97
Dividend on shares	(5,173.80)	(3,411.58)
Interest paid	(1,199.53)	(591.60)
Net cash flow from (used in) financing activities (C)	**(3,692.42)**	**(1,306.21)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	2,400.29	(386.61)
Cash and cash equivalents at 1 April	986.89	1,373.50
Cash and cash equivalents at the reporting date	**3,387.18**	**986.89**
Reconcilliation of cash and cash equivalents as per the balance sheet		
Cash and cash equivalents as per the cash flow statement	3,387.18	986.89
Other bank balances not considered above		
- Term Deposit	5,999.83	6,284.14
Cash and cash equivalents (including Term Deposits) at the reporting date	**9,387.01**	**7,271.03**

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

As per our report of even date

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

Sd/-
Shri S. Srinivas
Partner
Membership No. 202471

Place: Hyderabad
Date: 24.06.2021

for and on behalf of the Board of Directors

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

Sd/-
Shri. Gowri Sankara Rao Naramsetti
Director (Finance)

Sd/-
Shri Paul Antony
Company Secretary

Significant Accounting Policies

1. GENERAL INFORMATION

Mishra Dhatu Nigam Limited ("the Company") a Government of India enterprise was set up in 1973 and is engaged in the business of manufacturing of superalloys, titanium, special purpose steel and other special metals. The Company has its registered office at 'P.O. Kanchanbagh, Hyderabad, 500058'.

The company has made strategic investment in a joint venture company M/s. Utkarsha Aluminium Dhatu Nigam Limited for furtherance of its business in the area of Aluminium based alloys.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

i. Statement of compliance

The consolidated financial statements of the company and its joint venture are prepared and presented in accordance with Indian Accounting Standards (Ind AS) [as notified under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015], to the extent applicable, the provisions of the Companies Act, 2013 and these have been consistently applied.

ii. Functional and presentation currency

The consolidated financial statements are presented in Indian rupees, which is the functional currency of the Company and its Joint venture and the currency of the primary economic environment in which the entities operate. All financial information presented in Indian rupees has been rounded to the nearest lakhs except share and per share data.

iii. Use of estimates and judgement

The preparation of consolidated financial statements are in conformity with Ind AS require estimates and assumptions to be made that affect the application of accounting policies and reported amounts of assets and liabilities, and the reported amounts of revenues and expenses during the reporting period. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

2.2 Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise stated.

2.3 Revenue recognition

Revenue is recognized when significant risks and rewards of ownership and effective control on goods have been transferred to the buyer. Revenue from the sale of manufactured goods is recognized upfront at the point in time when the goods are delivered to the customer. The supply of alloys may include supply of third-party equipment or material. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the company and its joint venture is acting as the principal or as an agent of the customer. The company and its joint venture recognize revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, liquidated damages, performance bonuses and incentives, if any, as specified in the contract with the customer.

Sales revenue is measured at fair value net of returns, trade discounts and volume rebates. Revenue is recognized when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. The appropriate timing for transfer of risks and rewards varies depending on the individual terms and conditions of the sales contract.

In case of Ex-works contract, revenue is recognized when the goods are handed over to the carrier/agent for dispatch to the buyer and wherever customer's prior inspection is stipulated; revenue is recognized upon acceptance by customer's inspector.

In case of sales on FOR/FOB destination contracts, revenue is recognized considering the expected time in respect of dispatches to reach the destination within the accounting period, subject to adjustments based on actual receipt of material at destination.

Claims for additional revenue in respect of sales contracts/orders against outside agencies are accounted on certainty of realization.

Revenue on rendering of service: Revenue is recognized when the outcome of the services rendered can be estimated reliably. Revenue is recognized in the period when the service is performed by reference to the contract stage of completion on the reporting date.

Contract assets are recognized when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognized when there is a billing in excess of revenues.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation a cumulative adjustment is accounted for.

Use of significant judgements in revenue recognition:

The contracts of the Company and its joint venture with its customers could include promises to transfer multiple products and services to a customer. The Company and its joint venture assesses the products / services promised in a contract and identify distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and is reassessed at the end of each reporting period. Variable considerations are allocated to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company and its joint venture use judgement to determine an appropriate standalone selling price for a performance obligation. Transaction price is allocated to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, expected cost plus margin approach used to allocate the transaction price to each distinct performance obligation.

The Company and its joint venture exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. Indicators considered such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Contract fulfillment costs are generally expensed as incurred except for certain software license costs which meet the criteria for capitalization. The assessment of this criterion requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

2.4 Foreign currencies

Foreign currency monetary items are recorded in the Functional Currency at the closing rate of the reporting period. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Exchange differences arising on account of settlement / conversion of foreign currency monetary items are recognized as expense or income in the period in which they arise.

Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through consolidated statement of profit and loss.

2.5 Employee benefits

i. Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in the consolidated statement of profit and loss in the periods during which services are rendered by employees. Post Retirement Medical Benefit Scheme (PRMBS) and Pension Scheme are classified under this category.

ii. Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on government bonds, in the absence of deep market for high quality corporate bonds that have maturity dates approximating the terms of the obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan. An economic benefit is available if it is realizable during the life of the plan, or on settlement of the plan liabilities.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in the consolidated statement of profit and loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in the consolidated statement of profit and loss. All actuarial gains and losses arising from defined benefit plans recognized in other comprehensive income.

The Gratuity and contribution towards Provident Fund classified under this category.

iii. Compensated Absence

The liability towards compensated absences is accounted based on actuarial valuation done as at the balance sheet date by an independent actuary using the Projected Unit Credit Method. The liability includes the long term component accounted on a discounted basis and the short term component which is accounted for on an undiscounted basis.

iv. Other Employee Benefits

Other employee benefits are estimated and accounted for based on the terms of the employment contract.

2.6 Property, plant and equipment

Land is capitalized at cost to the Company. Development of land such as leveling, clearing and grading is capitalized along with the cost of building in proportion to the land utilized for construction of building and rest of the development expenditure is capitalized along with the cost of land. Development expenditure incurred for the purpose of landscaping or for any other purpose not connected with construction of any building is treated as cost of land.

All other items of Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. The company opted to adopt the previous GAAP value as the 'deemed cost' for the purposes of preparation of opening balance sheet as at 01 April 2015.

The cost of property, plant and equipment includes expenditures arising directly from the construction or acquisition of the asset, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, when there is an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The cost of replacing a part of an item is recognized in the carrying amount of the item of property, plant and equipment, if the following recognition criteria are met:

a) It is probable that future economic benefits associated with the item will flow and;

b) The cost can be measured reliably.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. Useful lives of the significant components are estimated by the internal technical experts.

The carrying amount of the replaced part is de-recognized at the time the replacement part is recognized. The gain or loss arising from the de-recognition of an item of property, plant and equipment is included in consolidated statement of profit and loss when the item is de-recognized. The costs of the day-to-day servicing of the item are recognized in consolidated statement of profit and loss as incurred.

The present value of expected cost for the dismantling and restoration are included in the cost of respective assets if recognizing criteria for provision are met.

Pending disposal, unserviceable fixed assets are removed from the Fixed Assets Register and shown under "Other Current Assets" as a separate line item at the lower of their net book value and net realizable value. As and when the disposal of such assets takes place, the difference between the carrying amount and the amount actually realized will be recognized as Loss / Profit from sale of Fixed Assets.

Advance paid towards the acquisition of property, plant and equipment, outstanding at each balance sheet date is classified as capital advance under "Other non-current assets" and the cost of assets not put to use before such date are disclosed under 'capital work-in-progress'.

Customer funded assets: As per the guidance of Appendix C of erstwhile Ind AS 18 "Transfer of Assets from Customers" are recognized as an item of property, plant and equipment in accordance with Ind AS 16 in the books of accounts and depreciation is charged accordingly.

As per para 8 of Ind AS 16, items such as spare parts, stand-by equipment and servicing equipment are recognized in accordance with this Ind AS when they meet the definition of property, plant and equipment and are expected to be used for more than one accounting year. Otherwise, such items are classified as inventory.

Depreciation

Depreciation is calculated using the straight line method to allocate their cost, net of residual values, over the estimated useful life.

The useful lives have been determined to be equal to those prescribed in Schedule II to the Companies Act, 2013. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Assets whose actual cost does not exceed ₹ 5000/-, depreciation is provided at the rate of hundred percent in the year of capitalization.

Disposal:

Gain and losses on disposal are determined by comparing net sale proceeds with carrying amount. These are included in consolidated statement of profit and loss.

2.7 Intangible assets

i. Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. For transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

ii. De-recognition of intangible assets

An intangible asset is de-recognized on disposal, or when no future economic benefits are expected from use or disposal.

Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in consolidated statement of profit and loss when the asset is de-recognized.

iii. Useful lives of intangible assets

Amortization is calculated using the straight line method to allocate their cost, net of residual values, over the estimated useful life.

The useful lives have been determined in accordance with guidance provided at Schedule II to the Companies Act, 2013.

The assets' useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

2.8 Inventories

Inventories are valued on the following basis:

i. Raw materials, consumables, spares and Tools and Instruments in Central Stores

At weighted average cost

ii. Raw materials in Shop floor/ Sub-stores in the shops

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

iii. Consumables in Shop floor/Sub-stores

All consumables drawn from the Central Stores are charged off to expense. Only in respect of 'A' and 'B' class consumables identified by Management from time to time, the stock at the Shop floor/Shop sub-stores are brought to inventory at the close of the year at the weighted average rate. However, moulds, rolls, dies etc., in use at the close of the year, are valued at issue rates with reference to the balance life, technically estimated.

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

At estimated realizable value for scrap.

v. Tools and Gauges

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

vi. Work-in-process

At cost or estimated realizable value appropriate to the stage of production based on technical evaluation, whichever is less. However, the WIP of 5 years old and above is valued at the realizable scrap rate.

vii. Finished Goods

At cost or net realizable value (at shop finished stage) whichever is less. However, the Finished Goods of 5 years old and above is valued at the realizable scrap rate.

viii. Goods in transit are valued at cost.

ix. Stores declared surplus / unserviceable are transferred to salvage stores for disposal, and charged to revenue.

x. Provision for the non-moving raw materials, consumables and spares for over three years is made as under:

Raw materials: 85% of the book value

Consumables and Spares (which do not meet definition of PPE): 50% of the book value

xi. Stationery, uniforms, medical and canteen stores are charged off to revenue at the time of receipt.

2.9 Investments in Associates and Joint Ventures

An associate is an entity over which the Company has significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results, assets and liabilities of associates or joint ventures are incorporated on these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate or joint venture is initially recognized in the consolidated balance sheet at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate or joint venture.

Distributions received from an associate or a joint venture reduces the carrying amount of the investment. When the company's share of losses of an associate or a joint venture exceeds the company's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the company's net investment in the associate or joint venture), the Company discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Company determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If, there exists such an objective evidence of impairment, then it is necessary to recognize impairment loss with respect to the Company's investment in an associate or joint venture.

When necessary, the entire carrying amount of the investment is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

For the purpose of consolidation the use of the equity method is discontinued from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the company retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Company measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities.

The equity method is continued when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no re-measurement to fair value upon such changes in ownership interests.

When the ownership interest in an associate or a joint venture is reduced but the use of equity method is continued, the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest is reclassified to profit or loss if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

2.10 Income tax

Tax expense represents the sum of current tax and deferred tax.

i. Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The current tax assets and current tax liabilities are off-set, where there is a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

ii. Deferred income tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax liabilities are recognized for all taxable temporary differences.

2.11 Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation taking into account the risks and uncertainties surrounding the obligation.

A provision for onerous contracts is recognized when the expected benefits to be derived from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such provision is made, impairment loss if any is recognized on the assets associated with that contract.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimates. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

2.12 Financial instruments

i. Financial assets

The Company and its joint venture initially recognizes its Loans and receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the trade date at which the Company and its joint venture becomes a party to the contractual provisions of the instrument.

The Company and its joint venture de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained is recognized as a separate asset or liability. Financial assets and liabilities are offset and the net amount is presented in the balance sheet when, and only when, there is a legally enforceable right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

A financial asset shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Financial assets include security deposits, cash and cash equivalents, trade receivables and eligible current and non-current assets.

Cash and cash equivalents comprise cash balances and term deposits with original maturities of one year or less. Bank overdrafts that are repayable on demand and form an integral part of the Company and its joint venture's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

ii. Financial liabilities

The Company and its joint venture initially recognize debt securities issued and subordinated liabilities on the date that they are originated and all other financial liabilities are recognized initially on the trade date at which it becomes a party to the contractual provisions of the instrument.

The Company and its joint venture de-recognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial liabilities include loans and borrowings and trade and other payables.

Such financial liabilities are recognized initially at fair value through profit or loss and stated net off transaction cost that are directly attributable to them. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

2.13 Impairment

i. Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company and its joint venture on terms that would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security.

ii. Non-financial assets

At the end of each reporting period, the Company and its joint venture reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of the fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

2.14 Borrowing costs

Borrowing costs incurred for obtaining assets which takes substantial period to get ready for their intended use are capitalized to the respective assets wherever the costs are directly attributable to such assets and in other cases by applying weighted average cost of borrowings to the expenditure on such assets. Other borrowing costs are treated as expense for the year.

Transaction costs in respect of long-term borrowings are amortized over the tenure of respective loans using effective interest method.

2.15 Finance income and costs

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues in the consolidated statement of profit and loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, impairment losses recognized on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in the consolidated statement of profit and loss using the effective interest method.

2.16 Earnings per share

The Company and its joint venture presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

2.17 Segment reporting

Operating segments are identified in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Company is in the business of manufacturing of super alloys and other special metals. Considering the core activities of the Company, management is of the view that the Company operates a single business segment. Further, the Company has only domestic turnover. Therefore, there is no other reportable segment.

2.18 Claims by / against the Company:

Claims on underwriters/carriers towards loss / damage are accounted when monetary claims are preferred.

Claims for refund of customs duty including project imports/port trust charge/excise duty are accounted on acceptance/receipt.

Liquidated Damages on suppliers are accounted on recovery.

Liquidated damages levied by the customers are netted-off from revenue on recovery/advice by the customers. A provision is created for the likely claims of Liquidated Damages for shipments made where a reliable estimation can be made.

Disputed/Time barred debts from Govt. Depts. & PSUs are not treated as Doubtful Debts. However, on a review appropriate provisions/ write offs are made in the books of accounts on a case to case basis.

Provision for Doubtful Debts is made on the amounts due from other than Govt. Depts. & PSUs using expected credit loss provisional matrix.

Provision for Contingencies & Warranty to take care of rejected / returned material by customers is provided at an average of percentages of rejections over turnover related to manufactured products for the previous 5 years.

2.19 Research and development expenses:

Research expenditure is charged to the consolidated Statement of Profit and Loss. Development costs of products are also charged to the consolidated Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalized. Tangible assets used in research and development are capitalized.

Expenditure incurred towards other development activity where the research results or other knowledge is applied for developing new or improved products or processes, are recognized as an Intangible Asset if the recognition criteria specified in Ind AS 38 are met and when the product or process developed is expected to be technically and commercially usable, and has sufficient resources to complete development and subsequently use or sell the intangible asset, and the product or process is likely to generate future economic benefits.

2.20 Physical verification of Fixed Assets and Inventory:

Fixed Assets under the heads Land & Development, Roads & Bridges, Drainage, Sewerage and water system and Buildings & Internal Services are verified once in 3 years. All other Fixed Assets are verified once in the Financial Year.

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

Inventories of raw materials, stores and spares in the Central Stores are verified on perpetual basis as per norms fixed from time to time and reconciled. Provisional adjustments are made to revenue, in respect of discrepancies pending reconciliation.

2.21 Cash Flow Statement:

Cash flow statement has been prepared in accordance with the indirect method prescribed in Ind AS 7- Statement of Cash Flows.

2.22 New standards and interpretations not yet effective:

A number of new standards, amendments to standards and interpretations are not yet effective as on the reporting date, and have not been applied in preparing these consolidated financial statements. The effect of the same is being evaluated by the Company and its joint venture.

2.23 Government Grants:

i. Grants from the Government are recognized at their fair value where there is reasonable assurance that grant will be received and the Company and its joint venture will comply with all attached conditions.

ii. Government grants relating to income are deferred and recognized in the consolidated profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income. Alternatively, they are deducted in reporting the related expense.

iii. Grants related to non-depreciable assets may also require the fulfilment of certain obligations and would then be recognized in consolidated profit or loss over the periods that bear the cost of meeting the obligations.

iv. Government Grants received either as subsidy or otherwise for acquisition of depreciable assets are accounted as deferred income. If the grant/subsidy is absolute, amount corresponding to the depreciation is treated as income over the life of the asset. If the grant/subsidy is attached with any conditions, such as repayment, income is accounted as per the terms of the grant/subsidy.

2.24 LEASES

Company as a lessee:

Contracts with third party, which give the company the right of use in respect of an Asset, are accounted in line with the provisions of Ind AS 116 – "Leases" if the recognition criteria as specified in the Accounting standard are met.

Lease payments associated with short term lease (term of twelve months or less) and lease in respect of low value assets are charged off as expenses on straight line basis over lease term or other systematic basis, as applicable.

At commencement date, the value of "right of use" is capitalised at the present value of outstanding lease payments plus any initial direct cost and estimated cost, if any, of dismantling and removing the underlying asset.

Liability for lease is created for an amount equivalent to the present value of outstanding lease payments. Subsequent measurement, if any, is made using cost model.

Each lease payment is allocated between the liability created and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The right of use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the company's incremental borrowing rate.

Lease modifications, if any, are accounted as a separate lease if the recognition criteria specified in the standard are met.

Company as a Lessor:

Lease are classified as finance or operating lease based on the recognition criteria specified in Ind AS 116 – Leases.

a) Finance Lease:

At commencement date, amount equivalent to the "net investment in the lease" is presented as a receivable. The implicit interest rate is used to measure the value of the "net investment in Lease".

Each lease payment is allocated between the Receivable created and finance income. The finance income is recognised in the statement of profit and loss over the lease period so as to reflect a constant periodic rate of return on the net investment in lease.

The asset is tested for de-recognition and impairment requirements as per Ind AS 109- Financial Instruments.

Lease modifications, if any, are accounted as a separate lease if the recognition criteria specified in the standard are met.

b) Operating lease:

The company recognises lease payments from operating leases as income on either a straight line basis or another systematic basis, if required. Lease modifications, if any, are accounted as a separate lease if the recognition criteria specified in the standard are met.

A lease is classified at the inception date as a finance lease or operating lease.

Notes to Consolidated Financial Statements for FY 2020-21

3. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

	Land	Buildings/ Drainage/ water systems	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Other (Electrical installations)	Others (Roads and bridges)	Total Tangible Assets
As at 31st March 2020									
Gross Carrying amount									
Opening gross carrying amount	2,211.99	4,633.16	38,402.98	451.96	392.20	905.99	2,594.76	3.52	49,596.56
Additions	-	219.34	3,029.37	11.00	118.59	205.03	617.98	-	4,201.31
Disposals	-	-	(0.02)	(0.31)	(32.65)	(9.73)	-	-	(42.71)
Closing gross carrying amount	**2,211.99**	**4,852.50**	**41,432.33**	**462.65**	**478.14**	**1,101.29**	**3,212.74**	**3.52**	**53,755.16**
Accumulated depreciation									
Opening accumulated depreciation	-	596.77	5,193.52	142.60	158.49	340.08	798.08	-	7,229.54
Depreciation charge during the year	-	177.19	1,819.93	46.50	54.82	165.56	323.88	-	2,587.88
Disposals	-	0.01	-	(0.05)	(25.56)	(7.21)	0.03	-	(32.78)
Closing accumulated depreciation	**-**	**773.97**	**7,013.45**	**189.05**	**187.75**	**498.43**	**1,121.99**	**-**	**9,784.64**
Net Carrying amount	**2,211.99**	**4,078.53**	**34,418.88**	**273.60**	**290.39**	**602.86**	**2,090.75**	**3.52**	**43,970.52**
As at 31st March 2021									
Gross Carrying amount									
Opening gross carrying amount	2,211.99	4,852.50	41,432.33	462.65	478.14	1,101.29	3,212.74	3.52	53,755.16
Additions	-	328.80	1,517.32	23.33	2.00	48.05	78.32	7.78	2,005.60
Disposals	(493.60)	(13.19)	(14.77)	(0.25)	-	(19.09)	(0.47)	-	(541.37)
Closing gross carrying amount	**1,718.39**	**5,168.11**	**42,934.88**	**485.73**	**480.14**	**1,130.25**	**3,290.59**	**11.30**	**55,219.39**
Accumulated depreciation									
Opening accumulated depreciation	-	773.97	7,013.45	189.05	187.75	498.43	1,121.99	-	9,784.64
Depreciation charge during the year	-	175.20	1,901.45	47.06	54.95	177.36	313.78	0.84	2,670.64
Disposals	-	(3.04)	(4.69)	(0.21)	-	(13.56)	(0.24)	-	(21.74)
Closing accumulated depreciation	**-**	**946.13**	**8,910.21**	**235.90**	**242.70**	**662.23**	**1,435.53**	**0.84**	**12,433.54**
Net Carrying amount	**1,718.39**	**4,221.98**	**34,024.67**	**249.83**	**237.44**	**468.02**	**1,855.06**	**10.46**	**42,785.85**

1. 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, Telangana State Govt.- 1 acre, BDL- 1 acre, and 1.5 acres is under dispute on account of unauthorized possession by a third party. Lease to DRDO is in the nature of Operating Lease.
2. Claims for reimbursement of cost for 70 acres and 23 guntas of Land transferred by DRDO not acknowledged, as no final settlement has been reached.
3. Pending registration/receipt of claims, no Provision has been made towards stamp Duty on conveyance deeds/conversion of Land use/property taxes/service charges (amount not ascertainable)
4. Plant and Machinery includes ₹ 4984.60 lakhs (31-Mar-2020 ₹ 4984.60 lakhs) for R & D capital costs.
5. Company considered the salvage value as 5% of the Cost of Assets
6. Principal Asset costing ₹100 lakhs and above only are identified for the purpose of componentization of assets.
7. 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.

Notes to Consolidated Financial Statements for FY 2020-21

(₹ in Lakhs)

Category	Gross Block	Normal Depreciation		Higher Depreciation		Impact
		Life in Years	Amount ₹ in Lakhs	Life in Years	Amount ₹ in Lakhs	Amount ₹ in Lakhs
Furniture	3.52	10.00	0.18	5.00	0.52	0.34
TOTAL	**3.52**		**0.18**		**0.52**	**0.34**
Previous Year	5.70		0.45		1.26	0.81

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

4. INTANGIBLE ASSETS

(₹ in Lakhs)

	Computer software	Copyrights & Patents and other intellectual property rights, services and operating rights	Total Intangible Assets
As at 31st March 2020			
Gross Carrying amount			
Opening gross carrying amount	318.19	24.20	342.39
Additions	-	-	-
Disposals	-	-	-
Closing gross carrying amount	**318.19**	**24.20**	**342.39**
Accumulated depreciation			
Opening accumulated depreciation	199.27	15.45	214.72
Depreciation charge during the year	21.30	2.26	23.56
Disposals	-	-	-
Closing accumulated depreciation	**220.57**	**17.71**	**238.28**
Net Carrying amount	**97.62**	**6.49**	**104.11**
As at 31st March 2021			
Gross Carrying amount			
Opening gross carrying amount	318.19	24.20	342.39
Additions	30.50	-	30.50
Disposals	-	-	-
Closing gross carrying amount	**348.69**	**24.20**	**372.89**
Accumulated depreciation			
Opening accumulated depreciation	220.57	17.71	238.28
Depreciation charge during the year	26.63	2.26	28.89
Disposals	-	-	-
Closing accumulated depreciation	**247.20**	**19.97**	**267.17**
Net Carrying amount	**101.49**	**4.23**	**105.72**

5. CAPITAL WORK-IN -PROGRESS

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Capital Work-in-Progress-Civil	4,191.99	3,481.03
Capital Work-in-Progress- Plant & Machinery Under Erection	49,500.62	36,937.55
Plant, Machinery & Equipment under Inspection & in Transit	1,181.85	63.43
Total	**54,874.46**	**40,482.01**

Notes to Consolidated Financial Statements for FY 2020-21

6. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Trade Investments Non-Trade, Unquoted AT COST		
Investment in Equity instruments		
Investment in other entities		
AP Gas Power Corporation Limited (*)		
18,43,857 fully paid up Equity share of ₹ 10/- each including 7,71,847 fully paid up bonus share of face value ₹ 10/- each	107.20	107.20
4,28,800 fully paid up Equity share of ₹ 10/- each subscribed at ₹ 24/- each and paid-up ₹ 24/- each	102.91	102.91
Investments in Joint Venture (**)		
Utkarsha Aluminium Dhatu Nigam Limited	1,850.38	1,837.25
2,00,00,000 fully paid up Equity share of ₹ 10/- each		
Total	**2,060.49**	**2,047.36**

(*) (*) Investment in APGPCL shares are in the nature of security deposit for uninterrupted supply of power which has no specified tenure. Hence, not considered for fair valuation.

(**) Details of Joint venture

Particulars	Principal Activity and place of business	Proportion of ownership Interest / voting rights held by the Company	
		As at 31st March 2021	As at 31st March 2020
Utkarsha Aluminium Dhatu Nigam Limited	For setting up High End Aluminium Alloy Production plant at Nellore, Andhra Pradesh.	50%	50%

Financial Information in respect of Joint Venture

Particulars	As at 31st March 2021	As at 31st March 2020
Non-current assets	758.11	222.85
Current assets	2,962.84	3,452.27
Non-current liabilities	-	-
Current liabilities	20.20	0.62
The above amounts of assets and liabilities includes the following:		
Cash and cash equivalents	2,874.16	3,451.10
Current financial liabilities (excluding trade payables and provisions)	-	-
Non-current financial liabilities (excluding trade payables and provisions)	-	-
Current liabilities	20.20	0.62

Particulars	As at 31st March 2021	As at 31st March 2020
Revenue	-	-
Profit or loss from continuing operations	26.25	(325.50)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	26.25	(325.50)
The above profit / (Loss) for the year include the following:		
Depreciation and amortisation	6.67	3.24
Interest Income	-	-
Interest expenses	-	-
Income tax expense / (income)	-	-

Notes to Consolidated Financial Statements for FY 2020-21

Reconciliation of the above summarised financial information to the carrying amount of the interest in JV recognised in the consolidated financial statements:

Particulars	**As at 31st March 2021**	**As at 31st March 2020**
Net asset of the Joint Venture	3,700.75	3,674.50
Proportion of the Group's ownership interest in JV (%)	50%	50%
Proportion of the Group's ownership interest in JV (₹)	1,850.38	1,837.25
Add: additional subscription of share warrant / advance against equity	-	-
Add: good will on acquisition	-	-
Less: unrealised profit	-	-
Group's share in the net asset of JV	1,850.38	1,837.25
Carrying amount of the Group's interest in JV	1,850.38	1,837.25

7. NON-CURRENT FINANCIAL ASSETS - LOANS

(₹ in Lakhs)

Particulars	**As at 31st March 2021**	**As at 31st March 2020**
Unsecured, considered good		
Loans to Vendors	35.60	64.85
Total	**35.60**	**64.85**

8. NON-CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	**As at 31st March 2021**	**As at 31st March 2020**
Advance Income Tax	553.82	543.63
Total	**553.82**	**543.63**

9. OTHER NON-CURRENT ASSETS

(₹ in Lakhs)

Particulars	**As at 31st March 2021**		**As at 31st March 2020**	
Capital Advances				
Unsecured, considered good		396.93		999.69
Doubtful	35.46		35.46	
Less: Provision	35.46	-	35.46	-
Sub-Total		**396.93**		**999.69**
Others				
Doubtful Advances to supplier	22.52		22.52	
Less: Provision	22.52	-	22.52	-
Obsolete and slow moving -Raw material	77.28		25.78	
Less: Provision	77.28	-	25.78	-
Obsolete and slow moving -consumables	31.61		35.50	
Less: Provision	31.61	-	35.50	-
Obsolete and slow moving -spares	172.39		143.94	
Less: Provision	172.39	-	143.94	-
Total		**396.93**		**999.69**

Notes to Consolidated Financial Statements for FY 2020-21

10. INVENTORIES

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Raw Materials and components	8,441.59	16,322.02
Raw Materials and components -in transit	575.74	5,377.62
Total	**9,017.33**	**21,699.64**
Work-in-progress #	46,233.18	49,444.86
Total	**46,233.18**	**49,444.86**
Finished goods	-	-
Finished goods in transit	648.90	1,596.08
Total	**648.90**	**1,596.08**
Stores and spares	609.07	532.61
Stores and spares -in transit	-	-
Total	**609.07**	**532.61**
Loose Tools	-	0.47
Total	**-**	**0.47**
Consumables	1,815.67	1,790.28
Consumables-in transit	-	1.73
Total	**1,815.67**	**1,792.01**
Internally generated Scrap/rejected material	21,759.64	15,984.70
Total	**21,759.64**	**15,984.70**
Grand Total	**80,083.79**	**91,050.37**

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

#Work in progress Include materials lying with sub-contractors ₹ 2,622.14 Lakhs (31.03.2020 ₹ 6,186.46 Lakhs) and is subject to confirmation of balance by sub-contractors.

11. CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31st March 2021		As at 31st March 2020	
Debts Outstanding for period exceeding Six Months				
Unsecured, considered good #		6,919.16		11,065.47
Unsecured, considered doubtful	433.31		646.84	
Less: Provision	433.31	-	646.84	-
Total		**6,919.16**		**11,065.47**
Other Debts				
Unsecured, considered good #		31,694.39		18,674.04
Unsecured, considered doubtful	1,177.80		658.41	
Less: Provision	1,177.80	-	658.41	-
Total		**31,694.39**		**18,674.04**
Grand Total		**38,613.55**		**29,739.51**

For computing the trade receivables normal credit period allowed by the company of thirty days has been taken into consideration for calculating the due date from the date of invoice .

Balances in Trade Receivables, is subject to confirmation and/or reconciliation.

Notes to Consolidated Financial Statements for FY 2020-21

Expected Credit Loss Percentage

Age of receivables	Expected credit loss As at 31st March 2021	Expected credit loss As at 31st March 2020
Within Credit the Period	2.40%	1.08%
Upto 3 months	3.31%	1.66%
3-6 months	16.40%	7.53%
6-9 months	30.16%	18.46%
9-12 months	71.16%	72.12%
>12 months	100.00%	100.00%
Specific Provision (₹ In Lakhs) relating to Defence, Govt and PSU customer dues	212.90	441.62
Specific Provision (₹ In Lakhs) relating to Defence, Govt, PSU, Private customer dues (LD)	1392.2	844.76

(₹ in Lakhs)

Age of receivables	As at 31st March 2021	As at 31st March 2020
Private Customers -Unsecured		
Within Credit the Period	56.86	4.19
Upto 3 months	51.72	72.26
3-6 months	5.13	-
6-9 months	-	-
9-12 months	1.00	-
>12 months	1.38	17.63
Private Customers -secured	125.30	2.13
Defence, Govt and PSU customer dues	39,983.27	30,948.55

Movement in Provision made against Trade Receivables

(₹ in Lakhs)

Particulars	Total
Loss allowance as on 31st March 2020	1,305.25
Changes in loss allowance	305.86
Loss allowance as on 31st March 2021	**1,611.11**

12. CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Balances with Banks		
In Current Accounts	3,385.57	984.11
In Deposit Accounts #	5,999.83	6,284.14
Cash on hand	1.61	2.78
Total	**9,387.01**	**7,271.03**

Balances in deposit accounts represents term deposits with maturities of one year or less and can be liquidated as and when required by the Company, hence classified as cash and cash equivalents.

Notes to Consolidated Financial Statements for FY 2020-21

13. CURRENT FINANCIAL ASSETS - BANK BALANCES [OTHER THAN (NOTE 12) ABOVE]

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Earnest Money Deposits with IndusInd Bank	-	98.48
Unpaid Dividend	7.49	4.30
Term Deposits*	0.17	3,715.86
Total	**7.66**	**3,818.64**

* Balances in Term Deposit Accounts includes ₹ 0.17 lakhs (31.03.2020 ₹ 3715.86 lakhs) pledged for secured over drafts availed against the deposits with various banks.

14. CURRENT FINANCIAL ASSETS - OTHERS

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Loans and advances to employees	23.90	16.89
Interest accrued on loans to employees	-	0.06
Claims receivable	67.28	59.14
Deposits with others	729.51	761.47
Interest accrued on bank deposits	3.92	484.25
Loans to Vendors	30.61	13.55
Total	**855.22**	**1,335.36**

15. OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Assets held for disposal	8.52	1.96
Prepaid expenses	201.96	183.57
GST/Customs duty receivable	15,806.31	17,693.42
Others		
Unsecured, considered good		
Advance to suppliers	145.18	329.59
Total	**16,161.97**	**18,208.54**

16. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Authorised		
Equity shares		
20,00,00,000 shares @ ₹ 10/- per share	20,000.00	20,000.00
(Previous Year 20,00,00,000 shares @ ₹ 10/- per share)		
	20,000.00	**20,000.00**
Issued		
Equity shares		
18,73,40,000 shares @ ₹ 10/- per share	18,734.00	18,734.00
(Previous Year 18,73,40,000 shares @ ₹ 10/- per share)		
	18,734.00	**18,734.00**
Subscribed and fully Paid up		
Equity shares		
18,73,40,000 shares @ ₹ 10/- per share	18,734.00	18,734.00
(Previous Year 18,73,40,000 shares @ ₹ 10/- per share)		
	18,734.00	**18,734.00**
Total	**18,734.00**	**18,734.00**

Notes to Consolidated Financial Statements for FY 2020-21

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

(₹ in Lakhs)

Particulars	As at 31st March 2021		As at 31st March 2020	
	No. of Shares	Amount (₹ in Lakhs)	No. of Shares	Amount (₹ in Lakhs)
Outstanding as at Opening Date	18,73,40,000	18,734.00	18,73,40,000	18,734.00
Add: Issued during the period	-	-	-	-
Less: Buy-back during the period (if any)	-	-	-	-
Outstanding as at Closing Date	**18,73,40,000**	**18,734.00**	**18,73,40,000**	**18,734.00**

Terms/right attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share (Previous Year ₹ 10 per share). Each equity share represents one voting right.

Details of shareholders holding more than 5% shares in the Company

(₹ in Lakhs)

Particulars	As at 31st March 2021		As at 31st March 2020	
	No. of Shares	% holding	No. of Shares	% holding
Equity shares of ₹ 10/- each fully paid-up (Previous Year ₹ 10/- each)				
President of India	13,86,31,600	74.00%	13,86,31,600	74.00%
HDFC Trustee Company Ltd. A/c HDFC Balanced Advantage Fund	1,50,45,195	8.03%	1,23,18,595	6.58%

17. OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31st March 2021		As at 31st March 2020	
General Reserve				
Opening Balance		70,575.87		64,075.87
Less: Depreciation adjustment		-		-
		70,575.87		64,075.87
Add: Additions during the year		9,000.00		6,500.00
Sub-total		**79,575.87**		**70,575.87**
Retained Earnings				
Opening Balance		6,299.08		398.75
Add: Amount transferred from statement of profit and loss		16,642.28		15,810.63
Amount available for appropriation		22,941.36		16,209.38
Less: Appropriations				
Interim Dividend	2,248.08		1,873.40	
Final Dividend	2,922.53		955.43	
Dividend Tax	-		581.47	
Transferred to General Reserve	9,000.00	14,170.61	6,500.00	9,910.30
Sub-total		**8,770.75**		**6,299.08**
Components of other comprehensive income				
Opening Balance		66.96		262.29
Add: Remeasurement of the net defined benefit liability / asset, net of tax effect		(34.09)		(195.33)
Sub-total		**32.87**		**66.96**
Total		**88,379.49**		**76,941.91**

Notes to Consolidated Financial Statements for FY 2020-21

18. NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Unsecured		
Advances - Augmentation Facilities - VSSC	-	18.41
(This represents balance amount payable (net of ₹ 25.66 lakhs (31.03.2020 ₹ 50.00 lakhs) repayable within 12 months and treated as Other Current Liability and included under Note No.26) against refundable loan of ₹ 478.38 lakhs received from VSSC for upgradation of forge press.)		
Total	**-**	**18.41**

Maturity Profile of Term Loan:

(₹ in Lakhs)

Particulars	Maturity Profile 2021-22
VSSC	28.38

19. NON-CURRENT FINANCIAL LIABILITIES - OTHERS

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Grants - Customer Financed Projects	39,461.20	32,597.80
Total	**39,461.20**	**32,597.80**

20. NON-CURRENT LIABILITIES - PROVISIONS

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for employee benefits		
Provision for gratuity	105.23	93.01
Provision for compensated absences	31.44	32.17
Total	**136.67**	**125.18**

21. DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Deferred Tax Liabilities		
On Depreciation	3,715.84	3,495.82
Sub Total	**3,715.84**	**3,495.82**
Deferred Tax Assets		
On Provision	330.56	364.32
On Disallowance as per IT Act	7.91	8.10
Sub Total	**338.47**	**372.42**
Net Total	**3,377.37**	**3,123.40**

Notes to Consolidated Financial Statements for FY 2020-21

Movement in deferred tax

(₹ in Lakhs)

Particulars	Closing Balance 31-Mar-2020	Charge/Credit during the year 2020-21	Closing Balance 31-Mar-2021
Deferred Tax Assets			
Provision for Non Moving Stores	51.65	19.14	70.79
Provisions for Doubtful Debts	115.90	(60.80)	55.10
Provisions for Doubtful Adv / Claims	5.67	-	5.67
Provision for Contingencies & Warranty	138.85	1.99	140.84
AMTL Leave Provision	8.10	(0.19)	7.91
OFB Interest Differences (Net)	44.94	8.99	53.93
VSSC Interest Differences (Net)	7.31	(3.08)	4.23
Total Assets	**372.42**	**(33.95)**	**338.47**
Deferred Tax Liability			
Depreciation	3,495.82	220.02	3,715.84
Total Liability	**3,495.82**	**220.02**	**3,715.84**
Net Liability	**3,123.40**	**253.97**	**3,377.37**

22. OTHER NON-CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Advances		
Advances from Customers	25,182.89	31,837.69
Others		
Material Received on Loan - Kaveri Project	26.33	26.33
Other Liabilities - VSSC	54.72	54.72
Other Liabilities - OFB	130.93	131.93
Advances Others	64.57	64.57
Deferred Income	6,112.64	6,294.68
Total	**31,572.08**	**38,409.92**

23. CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Secured		
Loans repayable on demand		
From Banks		
Cash Credit	7.68	(0.04)
(By hypothecation of Raw materials, stock in process, finished good and book debts.)		
From various banks-short term overdraft secured by pledge of fixed deposits	0.15	3,344.27
Secured by Fixed Deposits of ₹ 0.17 lakhs (31.03.2020 ₹ 3715.86 lakhs)		
Unsecured		
From Banks		
Short Term Loans	11,035.72	10,000.00
Commercial Paper	5,000.00	-
Total	**16,043.55**	**13,344.23**

Notes to Consolidated Financial Statements for FY 2020-21

24. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Micro & Small Enterprises	546.48	175.44
Others @	8,010.23	12,714.40
Total	**8,556.71**	**12,889.84**

@ 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 :

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Amount due and Payable at the year end		
Principal	546.48	175.44
Interest on above Principal	51.65	27.38
Payments made during the year after the due date		
Principal	2,188.14	1,571.40
Interest on above Principal	-	-
Interest due and payable for principals already paid	56.92	44.40
Total Interest accrued and remained unpaid at year end	108.57	71.78

25. CURRENT FINANCIAL LIABILITIES - OTHERS

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Earnest money deposit	10.68	17.80
Security Deposit	299.51	269.36
Liabilities to customers	1,535.45	1,531.60
Capital creditors	2,590.51	1,340.12
Employee payables	1,301.32	1,254.92
Unpaid Dividend	7.49	4.30
Total	**5,744.96**	**4,418.10**

26. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Advances received from customers	16,802.83	21,304.96
Advance for Customer Financed projects	8,269.06	6,679.49
Material Received on Loan - Others	4,221.98	7,893.87
Statutory liabilities	182.12	113.69
Total	**29,475.99**	**35,992.01**

Notes to Consolidated Financial Statements for FY 2020-21

27. CURRENT - PROVISIONS

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for employee benefits		
Provision for compensated absences	213.27	523.61
Provision for gratuity	241.85	426.63
Provision for post retirement medical scheme	155.40	154.80
Provision for pension scheme	371.00	371.40
Provision for other employee benefits	1,940.00	1,001.66
Other Provisions		
Provision for contingencies and warranty	559.60	551.68
Provision for Income Tax	947.89	-
Other provisions	11.04	11.04
Total	**4,440.05**	**3,040.82**

Movement in Provisions (Short term and Long term)

(₹ in Lakhs)

Particulars	As at 01.04.2020	Additions	Utilization	Reversal	As at 31.03.2021
Compensated absences	555.78	366.86	677.93	-	244.71
Gratuity	519.64	197.27	369.83	-	347.08
Post retirement medical scheme	154.80	155.4	154.80	-	155.40
Pension Scheme	371.40	371	371.40	-	371.00
Contingencies and Warranty	551.68	7.92	-	-	559.60
Others	1,012.70	1040.00	101.66	-	1,951.04
Total	**3,166.00**	**2,138.45**	**1,675.62**	**-**	**3,628.83**

28. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Sale of Manufacturing Products	77,877.12	69,237.93
Export Sales	1,942.47	1,042.04
Sale of Services	615.36	604.55
Other Operating Revenues	888.13	403.05
Total	**81,323.08**	**71,287.57**

29. OTHER INCOME

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Interest Income		
From Banks	266.55	1,157.21
From Employees	-	0.01
From Others	163.32	177.97
Liquidated Damages	394.62	881.68
Net gain on sale of Fixed Assets	1.20	11.28
Income from Sale of Unserviceable Scrap	238.49	99.34
Excess Liabilities written back	825.35	1,232.05
Grant Income	24.00	24.00
Other miscellaneous income	69.59	60.09
Total	**1,983.12**	**3,643.63**

Notes to Consolidated Financial Statements for FY 2020-21

Details of other miscellaneous income

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Sale of Application Forms (Personnel)	0.50	1.99
Others	69.09	58.10
Total	**69.59**	**60.09**

30. COST OF MATERIAL CONSUMED

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Cost of Material for manufactured products	17,007.05	37,660.59
Total	**17,007.05**	**37,660.59**

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

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Opening Stock		
Work-in-progress	49,444.86	24,769.48
Finished Stock	1,596.08	548.12
	51,040.94	**25,317.60**
Closing Stock		
Work-in-progress	46,233.18	49,444.86
Finished Stock	648.90	1,596.08
	46,882.08	**51,040.94**
(Increase) / Decrease		
Work-in-progress	3,211.68	(24,675.38)
Finished Stock	947.18	(1,047.96)
Total	**4,158.86**	**(25,723.34)**

32. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Salaries & Wages		
Salaries & Wages	8,301.40	8,190.48
Leave Encashment	366.86	685.32
Directors remuneration	94.81	245.34
Contribution to Provident and other Funds		
Contribution to provident fund	650.70	640.18
Employees Gratuity	151.72	164.86
Leave salary and pension contribution	371.00	371.40
Staff Welfare & Training		
Workmen and staff welfare expense	2,164.55	2,050.88
Total	**12,101.04**	**12,348.46**

(i) Gratuity

Gratuity payable to eligible employees is administered by a separate Trust, which has taken a policy with LICGGF. The annual demand computed through actuarial valuation is charged to Statement of Profit and Loss and other comprehensive income

Notes to Consolidated Financial Statements for FY 2020-21

Expenses Recognised during the period

(₹ in Lakhs)

Particulars	2020-21	2019-20
In Income Statement	200.85	168.75
In Other Comprehensive Income	45.55	261.03
Net Liability	**246.40**	**429.78**

Assets and Liability (Balance Sheet Position)

(₹ in Lakhs)

Particulars	2020-21	2019-20
Present Value of Obligation	3,595.65	4,120.91
Fair Value of Plan Assets	3,353.80	3,694.28
Surplus / (Deficit)	(241.85)	(426.63)
Effects of Asset Ceiling, if any	-	-
Net Assets / (Liability)	**(241.85)**	**(426.63)**

Changes in the Present Value of Obligation

(₹ in Lakhs)

Particulars	2020-21	2019-20
Present Value of Obligation as at beginning	4,120.91	4,057.42
Current Service Cost	172.50	153.67
Interest Expense or Cost	273.85	311.06
Re-measurement (or Actuarial) (gain) / loss arising from:	-	-
- change in demographic assumptions	-	(0.56)
- change in financial assumptions	(24.32)	224.97
- experience variance (Actual Vs assumptions)	61.23	(4.80)
Past Service Cost	-	-
Effect of change in foreign exchange rates	-	-
Benefits Paid	(1,008.52)	(620.85)
Acquisition Adjustment	-	-
Effect of business combinations or disposals	-	-
Present Value of Obligation as at the end	**3,595.65**	**4,120.91**

Bifurcation of net liability

(₹ in Lakhs)

Particulars	2020-21	2019-20
Current Liability (Short term)	-	-
Non-Current Liability (Long term)	241.85	426.63
Net Liability	**241.85**	**426.63**

Changes in the Fair Value of Plan Assets

(₹ in Lakhs)

Particulars	2020-21	2019-20
Fair Value of Plan Assets as at the beginning	3,694.28	3,860.68
Investment Income	245.50	295.97
Employer's Contribution	431.18	199.90
Expenses	-	-
Employee's Contribution	-	-
Benefits Paid	(1,008.52)	(620.85)
Return on plan assets , excluding amount recognised in net interest expense	(8.64)	(41.42)
Acquisition Adjustment	-	-
Fair Value of Plan Assets as at the end	**3,353.80**	**3,694.28**

Notes to Consolidated Financial Statements for FY 2020-21

Expenses Recognised in the Income Statement

(₹ in Lakhs)

Particulars	2020-21	2019-20
Current Service Cost	172.50	153.67
Past Service Cost	-	-
Loss / (Gain) on settlement	-	-
Expected return on Asset	-	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	28.35	15.08
Actuarial Gain/Loss	-	-
Expenses Recognised in the Income Statement	**200.85**	**168.75**

Other Comprehensive Income

(₹ in Lakhs)

Particulars	2020-21	2019-20
Actuarial (gains) / losses		
- change in demographic assumptions	-	(0.56)
- change in financial assumptions	(24.32)	224.97
- experience variance (i.e. Actual experience vs assumptions)	61.23	(4.80)
- others	-	-
Return on plan assets, excluding amount recognized in net interest expense	8.64	41.42
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
Components of defined benefit costs recognised in other comprehensive income	**45.55**	**261.03**

Actuarial assumptions

(₹ in Lakhs)

Particulars	2020-21	2019-20
Discount rate (per annum)	6.75%	6.65%
Salary growth rate (per annum)	8.00%	8.00%

Demographic assumptions

(₹ in Lakhs)

Particulars	2020-21	2019-20
Mortality rate	100.00%	100.00%
Withdrawal rate (per annum)	Upto 3% based on age	Upto 3% based on age

Table of sample mortality rates from Indian Assured Lives Mortality 2012-14

Mortality (per annum)

Age	Male	Female
20 years	0.092%	0.092%
25 years	0.093%	0.093%
30 years	0.098%	0.098%
35 years	0.120%	0.120%
40 years	0.168%	0.168%
45 years	0.258%	0.258%
50 years	0.444%	0.444%
55 years	0.751%	0.751%
60 years	1.116%	1.116%
65 years	1.593%	1.593%
70 years	2.406%	2.406%

Notes to Consolidated Financial Statements for FY 2020-21

Sensitivity analysis

(₹ in Lakhs)

Particulars	31-Mar-21		31-Mar-20	
Defined Benefit Obligation (Base)	4,120.91		4,120.91	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	3,858.66	3,370.76	4,383.28	3,894.34
(% change compared to base due to sensitivity)	7.3%	-6.3%	6.4%	-5.5%
Salary Growth Rate (- / + 1%)	3,469.46	3,733.97	4,003.50	4,246.05
(% change compared to base due to sensitivity)	-3.5%	3.8%	-2.8%	3.0%
Attrition Rate (- / + 1%)	3,572.36	3,612.54	4,102.13	4,134.04
(% change compared to base due to sensitivity)	-0.6%	0.5%	-0.5%	0.3%
Mortality Rate (- / + 10%)	3,594.75	3,596.56	4,120.02	4,121.79
(% change compared to base due to sensitivity)	0.0%	0.0%	0.0%	0.0%

Expected cash flows over the next (valued on undiscounted basis):

(₹ in Lakhs)

1 year	672.49
2 to 5 years	1,962.73
6 to 10 years	773.52
More than 10 years	3,351.12

(ii) Leave obligations

The leave obligations cover the Company's liability for the earned leave. The retirement benefit relating to leave encashment is administered through a Group Leave Encashment Scheme with LIC of India. The annual demand computed through actuarial valuation is charged to Statement of Profit and Loss

Bifurcation of net liability

(₹ in Lakhs)

Particulars	31-Mar-21	31-Mar-20
Current Liability (Short term)	283.12	424.09
Non-Current Liability (Long term)	2,309.98	2,214.47
Net Liability	**2,593.10**	**2,638.56**

(iii) Pension

As per the Department of Defence Production, Ministry of Defence, GOI, Guidelines No.8(112)/2012/D(Coord/DDP) dt. 11.11.2013, the contribution to Pension Scheme has to be restricted to a maximum of 10% (7% with the approval of Board and 3% with the prior approval of the Ministry of Defence) of Basic+DA in a financial year. The Current year contribution to pension fund has been provided @ 7% of Basic + DA in line with the MoD guidelines

33. FINANCE COST

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Interest expense		
Cash Credit	10.67	47.20
Short Term Overdrafts	86.94	234.45
Interest - Others	292.08	278.78
Interest - Term Loan	796.46	31.17
Discount on issue of Commercial Paper	13.38	-
Total	**1,199.53**	**591.60**

Notes to Consolidated Financial Statements for FY 2020-21

34. OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Travelling Expenses		
Travelling and conveyance	46.41	303.06
Hire of cars	11.99	48.42
Communication Expenses		
Postage & telephone	59.65	56.73
Repairs & maintenance expenses		
Buildings	534.12	407.27
Plant and machinery	306.72	312.04
Others	130.82	143.49
Rent, rates & taxes		
Rates and taxes	8.69	6.21
Rent	43.22	39.67
Printing and stationery		
Printing and stationery	11.79	17.53
Office maintenance expenses		
Security guard charges	648.99	637.97
Administration expenses-Others	322.33	336.32
Power & fuel		
Power and fuel	4,087.25	6,056.83
Sub-contractor expenses		
Sub-contractor expenses	10,550.31	9,891.94
General expenses		
CSR Expenses	350.92	395.27
Stock verification discrepancies		
Bad debts written off	-	-
Fixed Assets written off	17.46	2.01
Sales schemes	1,633.09	1,964.99
Library books	0.27	0.43
News paper and journals	10.24	12.63
Membership fees	8.43	42.25
Training expenses	10.38	76.04
Entertainment/courtesy expenses	1.67	7.70
Hostel/guest house expenses net of income	21.64	31.45
Business promotion expenses	55.14	218.35
Directors sitting fees	-	7.20
Factory expenses	140.12	271.05
Advertisement	67.55	102.79
Water charges	144.92	145.00
Consumption of stores, loose tools and spare parts		
Consumption of stores, loose tools and spare parts	3,589.53	4,827.49
Insurance expenses		
Insurance	215.59	171.29
Professional charges		
Legal and professional fees	9.29	8.83
Internal Audit Fee	10.45	12.59
Consultancy charges	146.90	161.77
Contract professionals expenses	16.59	12.42
R& D Expenses		
R & D Contribution	2.87	17.50

Notes to Consolidated Financial Statements for FY 2020-21

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Exchange fluctuation		
Exchange rate variance charged off	16.01	55.31
Auditors remuneration		
Auditor's remuneration(As per details below)	9.50	7.52
Finance & bank charges		
Bank charges	69.42	136.78
Provision for non moving inventories	76.06	33.74
Provision for Contingencies & Warranty		
Provision for Contingencies & Warranty	7.92	183.81
Total	**23,530.80**	**27,233.83**

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

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Consumption of materials	640.26	67.25
Conversion costs	521.75	78.32
Other Expenditure	107.27	169.12
R & D Contribution	2.68	17.50
Total	**1,271.96**	**332.19**

Remuneration and other payments to the auditor

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Auditor		
(a) Statutory Audit	8.00	6.12
(b) Tax Audit	1.40	1.40
(c) Other Services	0.10	-
Total	**9.50**	**7.52**

Details of Corporate Social Responsibility

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Promoting Education	135.72	132.68
Protection of Environmental & Ecology balancing Projects	-	-
Promotion of Health	143.51	170.07
Women Empowerment	-	-
Other Projects	71.69	92.52
Total	**350.92**	**395.27**

35. INCOME TAX EXPENSE

This note provides an analysis of the Company's income tax expense, shows amounts that are recognised directly in the equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax positions.

Notes to Consolidated Financial Statements for FY 2020-21

(a) Income tax expense

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
Current tax		
Current tax on profits for the year	5,736.94	5,006.99
Earlier year tax	(22.13)	19.15
	5,714.81	**5,026.14**
Deferred tax		
Decrease (increase) in deferred tax liabilities	(253.97)	856.60
Total income tax expense	**5,968.78**	**4,169.54**

(b) Reconciliation of tax expense and the accounting profit multiplied India's tax rate

(₹ in Lakhs)

Particulars	For the Year Ended 31st March 2021		For the Year Ended 31st March 2020	
Profit before tax		**22,563.84**		**19,947.59**
Tax at Indian tax rate of 25.168%		5,678.87		5,020.40
Add:				
Depreciation under Companies Act	2,699.53		2,611.44	
Disallowances under Sec 43B	-		-	
Provision for Doubtful Debts	(241.58)		(122.40)	
Provision for non moving stores and spares	76.06		33.74	
R&D expenditure	-		-	
Provision for contingency & warranty	7.92		183.81	
Provision for obselete items	-		-	
Provision for doubtful claims	-		-	
CSR Expenses	350.92		395.27	
OFB Deferred Exp (Net-off)	35.70		35.76	
VSSC Deferred Exp (Net-off)	(12.26)		(8.21)	
AMTL Leave Provision	(0.73)		9.05	
Provision for advance to suppliers	-		-	
Others	108.58		71.78	
	3,024.14		**3,210.24**	
Less:				
Earlier years liability discharged in the current year	-		-	
Donations 80G - Akshaya Patra Foundation			-	
Depreciation as per IT Act	3,020.23		3,263.54	
R & D weighted deductions	-		-	
	3,020.23		**3,263.54**	
Net Adjustments (Additions - Deductions)	3.91	0.98	(53.30)	(13.41)
Tax Liability		5,679.85		5,006.99
Interest		57.09		-
Earlier Year Tax		(22.13)		19.15
MAT Credit Entitlement		-		-
Deferred Tax		253.97		(856.60)
Total		**5,968.78**		**4,169.54**

Notes to Consolidated Financial Statements for FY 2020-21

FINANCIAL INSTRUMENTS

36. Fair value measurements

A. Financial instruments by category

(₹ in Lakhs)

	31st March 2021				31st March 2020			
	FVPL	FVOCI	Amortized Cost	Total	FVPL	FVOCI	Amortized Cost	Total
Financial assets								
Trade receivables	-	-	38,613.55	38,613.55	-	-	29,739.51	29,739.51
Cash and cash equivalents	-	-	9,394.67	9,394.67	-	-	11,089.67	11,089.67
Loans	-	-	35.60	35.60	-	-	64.85	64.85
Other financial assets	-	-	855.22	855.22	-	-	1,335.36	1,335.36
Total	**-**	**-**	**48,899.04**	**48,899.04**	**-**	**-**	**42,229.39**	**42,229.39**
Financial liabilities								
Borrowings	-	-	16,043.55	16,043.55	-	-	13,362.64	13,362.64
Trade payables	-	-	8,556.71	8,556.71	-	-	12,889.84	12,889.84
Other financial liabilities	-	-	45,206.16	45,206.16	-	-	37,015.90	37,015.90
Total	**-**	**-**	**69,806.42**	**69,806.42**	**-**	**-**	**63,268.38**	**63,268.38**

Note : For the purpose of above abbreviations, FVPL - Fair value through profit and loss; FVOCI - Fair value through other comprehensive income; Amortized cost - Fair value through amortized cost

(1) Assets that are not financial assets (such as receivables from statutory authorities, export benefit receivables, prepaid expenses, advances paid and certain other receivables) as of March 31, 2021, March 31, 2020 respectively, are not included.

(2) Other liabilities that are not financial liabilities (such as statutory dues payable, deferred revenue, advances from customers and certain other accruals) as of March 31, 2021, March 31, 2020 are not included.

(i) Fair value of financial asset and financial liabilities measured at amortized cost

The carrying amounts of trade receivables, trade payables, borrowings, cash and cash equivalents and other current financial liabilities are considered to be the same as their fair values, due do their short-term nature.

37. Financial risk management

Risk management framework

The Company has a Board approved Risk Management Policy and the Risks involved at the various processes in the Company are also being discussed in the internal Production Review Meetings and Corporate Management Committee Meetings. The identification of the risk elements faced by the company is listed out in Management Discussion and Analysis and also listed out in the form of SWOT analysis.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company has put in place all required internal controls and systems to meet all the canons of financial propriety. External Audit firms who were engaged to carry out internal audit, continue their efforts to ensure adequacy of such systems, controls and report thereon which were subject to periodical review by Audit Committee appointed by the Board.

The Board of Directors monitors the compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Notes to Consolidated Financial Statements for FY 2020-21

The Company has exposure to the following risks arising from financial instruments:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables	Aging analysis	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Further quantitative disclosures are included throughout these financial statements.

i. Credit risk

a) Credit risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Company's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. Majority of trade receivables of the Company, originate from Government owned entities, which are not exposed to high risk, the Company is making specific provisions based on case to case reviews and approved by Board. Whereas, for other customers risk is measured using the expected credit loss provisional matrix and provision is recognized accordingly.

b) Provision for expected credit loss

The Company provides for expected credit loss based on the following :

Expected credit loss for loans, security deposits

The Company's loans and security deposits are high quality assets having neglible credit risk, hence expected credit loss have not been computed

Expected credit loss for trade receivables

c) Reconciliation of loss allowance provision - trade receivables (₹ in Lakhs)

Loss allowance on 31 March 2020	1,305.25
Changes in loss allowance	305.86
Loss allowance on 31 March 2021	1,611.11

Expected credit loss on trade receivables has been disclosed in note 11

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

At March 31, 2021, the maximum exposure to credit risk for trade receivables by geographic region was as follows.

Particulars	Carrying amount (₹ in Lakhs)	
	March 31, 2021	March 31, 2020
India	39,695.84	30,821.05
Outside India	528.82	223.71
	40,224.66	**31,044.76**

Notes to Consolidated Financial Statements for FY 2020-21

At March 31, 2021, the maximum exposure to credit risk for trade receivables by type of counterparty was as follows:

Particulars	Carrying amount (₹ in Lakhs)	
	March 31, 2021	March 31, 2020
Government, Government undertakings and other secured debts	39,983.27	30,948.55
Others	241.39	96.21
	40,224.66	**31,044.76**

Impairment

Majority of trade receivables originate from Government owned entities, which are not exposed to high risk, the Company is making specific provisions based on case to case reviews and approve by Board. Whereas, for private customers, provision is determined using expected credit loss provisional matrix.

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 9,387.01 Lakhs at March 31, 2021 (March 31, 2020: ₹ 7,271.03 Lakhs).

The Company is investing in Fixed Deposits with various banks empanelled by the Investment Committee which is approved by the Board. All such deposits are made only with the approval of the Investment Committee. Further, management believes that cash and cash equivalents are of low risk in nature and hence no impairment has been recognized.

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Company ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Company maintains the following lines of credit.

Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

(₹ in Lakhs)

Contractual maturities of financial liabilities	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 year to 2 years	Between 2 years to 5 years	Total
31 March 2021						
Non derivatives						
Borrowings	5,007.83	11,035.72				16,043.55
Trade payables	8,404.24	57.47	95.00			8,556.71
Other financial liabilities	5,744.96					5,744.96
Total non-derivative liabilities	**19,157.03**	**11,093.19**	**95.00**	**-**	**-**	**30,345.22**

Notes to Consolidated Financial Statements for FY 2020-21

iii. Market risk

(a) Foreign currency risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Since majority of the company's operations are being carried out in India and since all the material balances are denominated in its functional currency, the company does not carry any material exposure to currency fluctuation risk.

(b) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The Company's external borrowings carries a fixed interest rate of 7.15% per annum, hence, no interest rate risk has been determined.

38. Capital Management

(a) Risk management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. In comparison the weighted average interest expense on interest-bearing borrowings (excluding liabilities with imputed interest) was 7.15 percent (2020: 8.70 percent).

The Company's debt to adjusted capital ratio at the end of the reporting period was as follows:

(₹ in Lakhs)

Particulars	As at 31 March 2021
Total liabilities	1,38,808.58
Less : Cash and cash equivalent	9,387.01
Adjusted net debt	**1,29,421.57**
Total equity	1,07,113.49
Less : Hedging reserve	-
Adjusted equity	**1,07,113.49**
Adjusted net debt to adjusted equity ratio	1.21

39. Operating segments

The Company is in the business of manufacturing of super alloys and other special metals. Considering the core activities of the Company, management is of the view that the Company operates a single business segment. Therefore, there is no other reportable segment. Further, Ministry of Corporate Affairs (MCA) has exempted the companies engaged in defence production from the requirement of Segment Reporting.

40. Related party transactions

Parent entity

Name	Type	Place of incorporation	Ownership interest	
			31-Mar-21	31-Mar-20
The President of India	Holding Company	India	74%	74%

Notes to Consolidated Financial Statements for FY 2020-21

Transactions with key management personnel

Key management personnel compensation

(₹ in Lakhs)

Name of the party	31 March 2021					31 March 2020
	Salaries & wages	PF & EPS	Gratuity	Leave encashment	Total	Total
(a) Dr.D.K.Likhi, C&MD (Upto 30.04.2020)	4.38	0.33	14.35	9.03	28.09	108.08
(b) Dr. Sanjay Kumar Jha Director, P&M (Up to 30.4.2020) & C&MD (w.e.f 01.05.2020)	46.73	3.75		-	50.48	87.79
(c) Shri N Gowri Sankara Rao, Director (F) (W.e.f. 27-Oct-2020)	15.03	1.21			16.24	-
(d) Shri Paul Antony, CS	12.72	1.02			13.74	14.58
Total	**78.86**	**6.31**	**14.35**	**9.03**	**108.55**	**210.45**

41. Contingent liabilities and commitments (to the extent not provided for)

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
(i) Contingent liabilities		
Claims against the company not acknowledged as debt	7,585.75	5,935.34
Bank Guarantees	3,123.48	2,833.53
Letter of credit outstanding	1,472.12	2,681.93
	12,181.35	**11,450.80**

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Capital commitments)	7,161.93	11,891.62
	7,161.93	**11,891.62**

42. Earnings per share (EPS)

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

i. Profit attributable to Equity holders of company

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Profit attributable to equity holders of the Company (₹ in Lakhs)	16,642.28	15,810.63
Weighted average number of equity shares outstanding during the period	18,73,40,000	18,73,40,000
Face value of share (₹)	10	10
Earnings per share basic and diluted (₹ per share)	8.88	8.44

43. Impact analysis of new corporate tax rates

Taxation Laws (Amendment) Ordinance, 2019 has been promulgated by the President of India. The Ordinance has amended the Income-tax Act, 1961 and the Finance (No. 2) Act, 2019. In order to provide relief to certain domestic companies, a new section 115BAA has been inserted in the I-T Act with effect from Assessment Year 2020-21 to provide an option to domestic companies to pay tax at the rate of 22% plus applicable surcharge and cess. However, the option to avail the benefit of section 115BAA shall be available only when total income of the company is computed without providing for specified deductions or exemptions. After analyzing the impact analysis, company adopted New Provision 115BAA: 22% + 10% Surcharge + 4% Cess. i.e., 25.168% from the financial year 2019-20 (Assessment Year 2020-21).

Notes to Consolidated Financial Statements for FY 2020-21

Accordingly, there was a favorable impact on Tax Expenses and Deferred Tax to the extent of ₹1737.00 lakhs and ₹ 1213.24 lakhs respectively during the previous financial year 2019-20.

Thus, when compared with the previous financial year (which includes the Deferred Tax Benefit of ₹1213.24 lakhs), there was a dip in the Profit after tax of the current financial even though there is an increase in the Profit Before Tax.

44. Impact of COVID-19:

(i) Impact on Operations and Revenue:

(a) Company was not operational for 45 days due to lockdown during the 1st quarter of the financial year 2020-21.

(b) During the 1st quarter, company was not able to operate upto its full capacity due to lockdown, flexible timings and restrictions in night shift operation.

(c) Disruption in supply chain leading to postponement of delivery schedules.

(d) Despite, Q1 of FY 2020-21 adversely impacted by lockdown, with cumulative efforts of workforce, Company achieved highest ever turnover and profit before tax.

(ii) Liquidity Risk:

(a) The Customer base of the Company is majorly in the Government Sectors like Defence, Space Atomic Energy, Ordnance Factories and Public Sector Undertakings. Since many of the customers operating with skeleton staff and with their revised budgets, Company faced certain challenges in arranging the adequate liquidity, however, Company has taken all steps and controlled the situation.

(b) The Company has assessed the possible impact of COVID-19 on its financial statements based on the internal and external information available upto the date of approval of these financial results including but not limited to its assessment of company's liquidity, recoverable values of property, plant and equipment, intangible assets and the net realisable values of other assets. The Company continues to monitor changes in future economic conditions while taking steps to improve operational efficiencies and the financial outcome.

45. Disclosure in respect of Commercial Paper

Pursuant to SEBI circular SEBI/HO/DDHS/CIP/P/2019/115 dated October 22, 2019, on ""Framework for listing of Commercial Paper", information as required under regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 for the year ended March 31, 2021 is as mentioned below:

a) The Commercial Papers (listed) of the Company as on 31st March 2021 are ₹ 5000.00 lakhs. The Company has retained "CRISIL A1+" rating by CRISIL Ratings.

b) Key Financial Information

(₹ in Lakhs)

Particulars	31 March 2021	31 March 2020
Debtors Turnover	2.38	2.19
Inventory Turnover	0.69	0.74
Interest Coverage	22.11	39.30
Current Ratio	2.26	2.17
Debt Equity Ratio	0.15	0.14
Operating Profit Margin (%)	25.38	23.01
Net Profit Margin (%)	20.46	22.18
Return on Networth	16.41	17.65
Debt Service Ratio	1.82	2.08

Notes to Consolidated Financial Statements for FY 2020-21

46. The previous period figures have been regrouped/reclassified, wherever necessary to conform to the current presentation.

47. Disclosure of additional information

(a) As at and for the year ended 31st March 2021

(₹ in Lakhs)

Name of the entity in the Group	Net Assets i.e. total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	AS % of consolidated net assets	Amount	AS % of consolidated profit or loss	Amount	AS % of consolidated other comprehensive income	Amount	AS % of consolidated total comprehensive income	Amount
Joint Ventures (Accounting as per equity method)								
Utkarsha Aluminium Dhatu Nigam Limited	3.45%	3700.75	0.08%	13.13	0.00%	-	0.08%	13.13

(b) As at and for the year ended 31st March 2020

(₹ in Lakhs)

Name of the entity in the Group	Net Assets i.e. total assets minus total liabilities		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	AS % of consolidated net assets	Amount	AS % of consolidated profit or loss	Amount	AS % of consolidated other comprehensive income	Amount	AS % of consolidated total comprehensive income	Amount
Joint Ventures (Investment as per equity method)								
Utkarsha Aluminium Dhatu Nigam Limited	3.84%	3674.50	-1.03%	(162.75)	0.00%	-	-1.04%	(162.75)

Notes to Consolidated Financial Statements for FY 2020-21

48. Salient features of joint venture

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF ASSOCIATE COMPANIES / JOINT VENTURES (FORM AOC-1)

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates / Joint Ventures	Joint Venture Utkarsha Aluminium Dhatu Nigam Limited
1. Latest audited Balance Sheet Date	31.03.2021
2. Shares of Associate / Joint Ventures held by the company on the year end	
No.	2,00,00,000
Amount of Investment in Associates / Joint Ventures (₹)	20,00,00,000
Extent of Holding %	50.00%
3. Description of how there is significant influence	[refer note 48.2]
4. Reason why the associate / joint venture is not consolidated	-
5. Networth attributable to share holding as per latest audited Balance Sheet (₹)	18,50,38,000
6. Profit / (Loss) for the year (₹)	
i. Considered in Consolidation	13,12,500.00
ii. Not Considered in Consolidation	-

Note:

48.1 The JV Company has not commenced its operations.

48.2 Voting power as per the percentage of equity held.

As per our report of even date

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

Sd/-
Shri S. Srinivas
Partner
Membership No. 202471

Place: Hyderabad
Date: 24.06.2021

NOTES

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75 Azadi Ka Amrit Mahotsav

MIDHANI

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