

REPORT ON CORPORATE GOVERNANCE

1.0 COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

- 1.1 **MISHRA DHATU NIGAM LIMITED (MIDHANI), a MINI-RATNA-Category - I** company, as a Good Corporate Citizen strives to carry out its Mission, Objectives and Business obligations with good corporate values and high standards of ethics in all spheres. Towards this direction, the Board discharges its fiduciary role towards the Company with effective accountability, respect for law, maintaining Corporate Governance standards beyond law, putting systems in place for planning, budget, internal controls, risk-management, communication policy on various facets of Company's operations including creation of an environment for growth and development of human resources.
- 1.2 Your Company is in compliance with the requirements of the Corporate Governance standards as stipulated under Department of Public Enterprises (DPE) Guidelines on Corporate Governance for Central Public Sector Enterprises – 2010 (hereinafter referred to as "DPE Guidelines") and SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (hereinafter referred to as "ICDR regulations"), SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 (hereinafter referred to as "Listing regulations") to the extent applicable.

2.0 BOARD OF DIRECTORS:

2.1 COMPOSITION & DETAILS OF THE BOARD MEMBERS:

2.1.1 The Board of Directors of Mishra Dhatu Nigam Limited plays a pivotal role in ensuring good Corporate Governance. The Board comprises of an optimum mix of Executive and Non-Executive Directors. The Board has one Woman Director. Half of the Board comprises of Independent Directors. There is no inter-se relationship amongst the Directors. The Board's composition during the year under review is as under:

(a) Functional/Whole time Directors :

- (i) **Dr. D. K. Likhi**
Chairman & Managing Director
- (ii) **Dr. S. K. Jha**
Director (Production & Marketing)
- (iii) **Shri Sanjeev Singhal**
Director (Finance)

(b) Part-time Official/Government Directors:

- (i) **Shri Sanjay Jaju (from 30.05.2018)**
Joint Secretary (DIP),
Department of Defence Production,
Ministry of Defence

(c) Part-time Non-Official Directors:

- (i) **Dr. Jyoti Mukhopadhyay**
Visiting Professor, Materials Science and Engineering,
Indian Institute of Technology, Gandhinagar
- (ii) **Shri I. V. Sarma,**
Ex-Director (R&D)
Bharat Electronics Limited, Bangalore
- (iii) **Dr. Usha Ramachandra,**
Professor & Area Chairperson, Energy Area,
Administrative Staff College of India, Hyderabad.
- (iv) **Shri Surendra Sinh,**
Vice Chairman, Madhya Pradesh State Disaster Management Authority, Bhopal

2.1.2 The existing Articles of Association of the Company provides for appointment of all Directors by the President of India. The Directors appointed are persons of eminence in respective fields of their activity. None of the directors of the Company were members in more than ten committees or acted as Chairperson of more than five committees across all listed entities in which he/she is a Director during the year. During the year none of the Independent Directors of the Company held directorships in more than seven listed companies during the year.

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

2.1.4 The Tenure of Independent Directors of MIDHANI was extended by a year vide MoD Letter PC.No 11(57)/2017/MDN/D(NS) dated 22nd November, 2018

3.0 MEETINGS OF THE BOARD AND ATTENDANCE THEREOF:

3.1 The Board met seven (7) times during the financial year under report as compared to statutory minimum requirement of four (4) meetings per year. The average attendance of Directors for all the Board Meetings during the financial year was 89.09%. The meeting dates and attendance of Directors at such meetings are given below:

Sl. No.	No. of the Meeting	Date of the Meeting	Board Strength	No. of Directors Present
1.	241	30.05.2018	7	7
2.	242	10.08.2018	8	6
3.	243	15.10.2018	8	6
4.	244	13.11.2018	8	8
5.	245	11.12.2018	8	7
6.	246	14.02.2019	8	8
7.	247	16.03.2019	8	7

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

3.2 As per DPE guidelines, Company has nominated Chairperson of Audit Committee and/or another Member of the Audit Committee for the purpose of according prior approval to related party transactions.

3.3 All Board Members had disclosed to Board about the personal, official and other pecuniary interests, held by them in any proprietary, partnership or Company, whether in individual capacity or together with their relatives not only at the time of their appointment on the Board but also as and when such appointments were held. Such disclosures are being re-stated every year. Such disclosures made at the Board meeting are furnished hereunder:

S. No.	Name of the Director	Body/ Corporate in which the Director is interested	Nature of interest.
1.	Dr. D.K. Likhi	1 The Indian Institute of Metals, Kolkata 2 Indian Institute of Material Management, Navi Mumbai 3 National Institute of Personnel Management South Conclave, Kolkata 4 Global Institute of Flexible Systems management, New Delhi 5 Strategic Alliance Professionals Association, Hyderabad 6 Research Council of CSIR-Institute of Mineral & Materials (CSIR-IMMT) Bhubaneswar 7 Indian Iron and Steel Sector Skill Council 8 Nuclear Fuel Corporation of India	Life Member Life member Life Member Life member President Member Director Director
2.	Shri. I. V. Sarma	1 BPL Telecom Limited 2 ELDASS Technologies Private Limited 3 ACS Technologies Ltd.	Director Director Director
3.	Dr. Usha Ramachandra	1 Andhra Pradesh Gas Power Corporation Limited 2. Kamireddy Sakleshpur Power Private Limited	Director Director
4.	Other Members of the Board	NIL	NIL

3.4 Three (3) resolutions were passed through circulation amongst Directors during the year under report.

4.0 GENERAL MEETINGS:

4.1 The details of the Annual General Meetings of the Company for the last 3 years is as under:

Number of AGM	Financial Year	Date of the Meeting	Venue of the Meeting
42	2015-16	27.09.2016	M/s. Mishra Dhatu Nigam Ltd.,
43	2016-17	25.09.2017	Regd. Office, P.O. Kanchanbagh, Hyderabad 500 058
44	2017-18	28.09.2018	DRDO Auditorium, PO Kanchanbagh, Hyderabad-500058

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

5.0 BOARD'S COMMITTEES, THEIR SCOPE & MEETINGS THEREOF:

5.1 MIDHANI had the following **Nine (9)** Committees of Board and **One (1)** apex level internal committee called Corporate Management Committee as on 31st March 2019:

5.2 AUDIT COMMITTEE (AC):

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

5.2.2 On conversion of MIDHANI from Private Limited to Public Limited Company, the AC complies with the terms of reference as enumerated under the applicable provisions under the Companies Act, 2013, Listing regulations, DPE Guidelines as amended from time to time.

5.2.3 The AC is currently functioning with four (4) Members i.e. four (4) Independent Directors on the Board. Statutory Auditors, Director (Finance) / Head of Finance, Director (Production & Marketing) are Permanent Invitees to the Meetings. All members of AC, the Chairperson in particular, 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.

5.2.4 The details of constitution of Audit Committee during the year under report is as under:

S. No.	Name of the Director	Status	Date of Appointment or change in the Committee
1.	Dr. Usha Ramachandra Part-time Non-official Director	Chairperson	From : 18.12.2015
2.	Shri I. V. Sarma Part-time Non-official Director	Member	From : 18.12.2015
3.	Dr. Jyoti Mukhopadhyay Part-time Non-official Director	Member	From : 18.12.2015
4.	Dr. S. K. Jha Director (Production & Marketing)	Member	From : 05.07.2016 Till : 10.08.2018
5.	Shri Surendra Sinh Part-time Non-official Director	Member	From : 10.08.2018

The Company Secretary acts as Secretary of the Committee.

5.2.5 The quorum for AC meetings is two (2) Independent Directors personally present. The Audit Committee is required to meet at least four (4) times during any financial year and not more than 120 days shall elapse between two meetings.

5.2.6 The Chairperson of the Audit Committee and / or another Independent Part-time Non-Official Director who is also a member of the Audit Committee, has / have been designated as person(s) responsible for according prior approval for related party transactions as contemplated under DPE guidelines and Ind AS 24.

5.2.7 Four (4) meetings of the Audit Committee were held during the year under report. The average attendance of Directors for all the AC Meetings during the financial year was 87.5%. The dates on which such Meetings were held and the attendance of Directors/Members thereof is furnished below:

Attendance of Directors in Audit Committee Meetings				
S. No.	Number of the Meeting	Date	Committee Strength	No. of Directors Present
1.	61	30.05.2018	4	3
2.	62	10.08.2018	4	3
3.	63	13.11.2018	4	4
4.	64	14.02.2019	4	4

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

5.2.8 Terms of Reference to the Audit Committee

- (i) The Audit Committee shall meet at least four times in a year and not more than 120 days shall elapse between two meetings. The quorum shall be either two members or one third of the members of the Audit Committee whichever is greater, but there should be a minimum of two independent directors present.
- (ii) The Chairman of the Audit Committee shall be present at the Annual General Meeting of the Company to answer shareholder queries.
- (iii) The Audit Committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the company. The Finance Director, Head of Internal Audit and a representative of the Statutory Auditors of the Company may be present as invitees for the meetings of the Audit Committee.
- (iv) The Audit Committee shall have powers, which should include the following:
 - a. to investigate any activity within its terms of reference;
 - b. to seek information from any employee of the Company;
 - c. to obtain outside legal or other professional advice; and
 - d. to secure attendance of outsiders with relevant expertise, if it considers necessary.
- (v) The role of the Audit Committee shall include the following:
 - a. oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
 - b. make recommendation for appointment, remuneration and terms of appointment of auditors of the Company based on the order of Comptroller & Auditor General of India, being Government Company, as applicable;
 - c. approve payment to statutory auditors for any other services rendered by them;
 - d. review with the management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
 - i. matters required to be included in the Director's Responsibility Statement to be included in the Board of Directors report in terms of clause (c) of sub-Section 3 of Section 134 of the Companies Act, 2013;
 - ii. changes, if any, in accounting policies and practices and reasons for the same;
 - iii. major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
 - iv. significant adjustments made in the financial statements arising out of audit findings;
 - v. compliance with listing and other legal requirements relating to financial statements;
 - vi. disclosure of any related party transactions; and
 - vii. Modified opinion(s) in the draft audit report.

- e. Review, with the management, the quarterly financial statements before submission to the Board of Directors for their approval;
 - f. Review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to our Board of Directors to take up steps in this matter;
 - g. Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
 - h. Approve or subsequently modify transactions of the Company with related parties;
 - i. Scrutiny of inter-corporate loans and investments;
 - j. Conduct valuation of undertakings or assets of the Company, wherever it is necessary;
 - k. Evaluate Internal Financial Controls and Risk Management Systems;
 - l. Review, with the management, performance of Statutory and Internal Auditors, adequacy of the Internal Control Systems;
 - m. Review the adequacy of Internal Audit function, if any, including the structure of the Internal Audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - n. Discuss with Internal Auditors of any significant findings and follow up there on;
 - o. Review the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 - p. Discuss with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - q. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 - r. To review the functioning of the whistle blower mechanism;
 - s. Approve the appointment of the Chief Financial Officer of the Company after assessing the qualifications, experience and background, etc. of the candidate;
 - t. Carry out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board of Directors of the Company or specified/provided under the Companies Act, 2013 or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or by any other regulatory authority.
 - u. To review the follow up action on the audit observations of the C&AG audit;
 - v. Recommend the appointment, removal and fixing of remuneration of Cost Auditors and Secretarial Auditors;
- (vi) The Audit Committee shall mandatorily review the following information:
- (a) Management discussion and analysis of financial condition and results of operations;
 - (b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company;
 - (c) Management letters / letters of internal control weaknesses issued by the statutory auditors of the Company;
 - (d) Internal Audit reports relating to internal control weaknesses;
 - (e) The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee; and
 - (f) Statement of deviations in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- (i) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- (ii) Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

5.3 NOMINATION AND REMUNERATION COMMITTEE (N&RC):

5.3.1 The Committee was originally constituted by Board of Directors on 28.04.2009 to lay down norms for determining and disbursing the quantum of Performance Related Pay (PRP) as envisaged in the guidelines issued by DPE in OM dt. 26.11.2008.

5.3.2 Post conversion of MIDHANI from Private Limited to Public Limited Company and pursuant to the provisions under Section 178(1) of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, the Committee was reconstituted and renamed as "Nomination and Remuneration Committee" on 17.11.2017.

5.3.3 The Composition of Nomination & Remuneration Committee during the year under report is as under:

S. No.	Name of the Director	Status	Date of Appointment or change in the Committee
1.	Shri I. V. Sarma	Chairman	18.12.2015
2.	Dr. Jyoti Mukhopadhyay	Member	18.12.2015
3.	Dr. Usha Ramachandra	Member	18.12.2015
4.	Shri Surendra Sinh	Member	17.11.2017

The Company Secretary acts as Secretary of the Committee.

5.3.4 Two meetings of the Nomination & Remuneration Committee were held during the Financial Year 2018-19.

Attendance of Directors in Nomination & Remuneration Committee Meeting			
S. No.	Date of the Meeting	Committee's Strength	No. of Directors Present
1	30.05.2018	4	4
2	14.02.2019	4	4

The Attendance of individual Directors is placed at: **ANNEXURE: VIII (B)**

5.3.5 Terms of reference to Nomination & Remuneration Committee:

- (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; and
- (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.

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

5.4.1 Pursuant to the Guidelines issued by Dept. of Public Enterprises, during April, 2010, the Board constituted a Committee called as "Corporate Social Responsibility & Sustainable Development Committee". The CSR activities of MIDHANI are carried out in line with the CSR policy of MIDHANI also available at the company website: www.midhani-india.in

5.4.2 The Constitution of the CSR & SD Committee during the year under report is as under:

S. No.	Name / Designation of the Directors	Status	Date of Appointment or change in Committee
1.	Dr. D. K. Likhi Chairman & Managing Director	Chairman	01.09.2015
2.	Dr. Usha Ramachandra Part-time Non-Official Director	Member	18.12.2015

S. No.	Name / Designation of the Directors	Status	Date of Appointment or change in Committee
3.	Shri Surendra Singh Part-time Non-Official Director	Member	10.08.2018
4.	Dr. S. K. Jha Director (Production & Marketing)	Member	05.07.2016
5.	Shri Sanjeev Singhal Director (Finance)	Member	06.01.2017

The nomination of Functional Directors on CSR&SD is on Ex-Officio basis.

The Company Secretary acts as Secretary of the Committee.

5.4.3 During the year 2018-19, Three (3) Meetings of CSR&SD Committee were held, the average attendance of Directors for all the CSR Meetings during the financial year was 100 %. The details are as under.

Attendance of Directors in Corporate Social Responsibility & Sustainable Development Committee Meetings

Sl. No.	Date	Committee's Strength	No. of Directors Present
1.	15.06.2018	4	4
2.	12.01.2019	5	5
3.	16.03.2019	5	5

The Attendance of individual Directors is placed at: **ANNEXURE: VIII (B)**

5.5 STAKEHOLDER RELATIONSHIP COMMITTEE:

5.5.1 In terms of Section 178(5) of the Companies Act, 2013 and Regulation 20(1) of the Listing Regulation, the Board of Directors constituted the "Stakeholders Relationship Committee" on 17.11.2017.

5.5.2 The constitution of the Stakeholders Relationship Committee during the year under report is as under:

S. No.	Name / Designation of the Directors	Status
1.	Shri Surendra Singh Part-time Non-Official Director	Chairman
2.	Dr. S. K. Jha Director (Production & Marketing)	Member
3.	Shri Sanjeev Singhal Director (Finance)	Member

The nomination of Functional Directors on SRC is on Ex-Officio basis.

The Company Secretary acts as Secretary of the Committee.

5.5.3 During the year 2018-19, One (1) Meeting of SRC was held, the average attendance of Directors for all the SRC Meetings during the financial year was 100 %. The details are as under.

Attendance of Directors in Stakeholder Relationship Committee Meeting

Sl. No.	Date	Committee's Strength	No. of Directors Present
1.	14.02.2019	3	3

5.5.4 Terms of reference to Stakeholders Relationship Committee:

- (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 of shares and re-materialization 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.

5.6 RISK MANAGEMENT COMMITTEE:

5.6.1 As per Regulation 21 of the Securities and Exchange Board of India Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors shall constitute a Risk Management Committee.

5.6.2 The constitution of the Risk Management Committee during the year under report is as under:

S.No.	Name/Designation of Directors	Status
1.	Sanjeev Singhal Director (Finance)	Chairman
2.	Dr. S. K. Jha Director (Production & Marketing)	Member
3.	D. Gopikrishna General Manager (Commercial & IT)	Member
4.	Madhubala Kalluri AGM (Finance)	Member

Company Secretary shall act as Secretary to the Committee

5.6.3 Terms of reference to Risk Management Committee:

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

5.7 PROCUREMENT COMMITTEE (PC):

5.7.1 The PC was constituted by Board of Directors of the Company on 22.01.2008 for the purposes of authorizing procurement of materials beyond the individual delegated powers of Chairman & Managing Director.

5.7.2 The details of constitution of Procurement Committee for the year under report is as under:

S. No.	Name / Designation of the Directors	Status	Date of Appointment or change in the Committee
1.	Dr. D. K. Likhi Chairman & Managing Director	Chairman	From: 01.09.2015
2.	Dr. S. K. Jha Director (Production & Marketing)	Member	From: 05.07.2016
3.	Shri. Sanjeev Singhal Director (Finance)	Member	From 06.01.2017
4.	Dr. Usha Ramachandra Part-time Non-Official Director	Member	From: 18.12.2015

The nomination of Functional Directors on PC is on Ex-Officio basis.

The Company Secretary acts as Secretary of the Committee.

- 5.7.3 The quorum of the Committee is minimum of three (3) members personally present, one of whom shall be a part-time non-official Director. The Minutes of the PC meetings are put up to the Board for its information.
- 5.7.4 Thirteen (13) meetings of PC were held during the year under report. The average attendance of Directors for all the PC Meetings during the financial year was 92.30%. The dates on which such Meetings were held and the attendance of Directors / Members thereof is furnished hereunder:

Attendance of Directors in Procurement Committee Meetings			
S. No.	Date of the Meeting	Committee's Strength	No. of Directors Present
1.	30.04.2018	4	3
2	15.06.2018	4	4
3	26.06.2018	4	3
4	05.07.2018	4	4
5	09.08.2018	4	3
6	12.09.2018	4	4
7	20.09.2018	4	3
8	25.10.2018	4	4
9	24.11.2018	4	4
10	01.12.2018	4	4
11	21.12.2018	4	4
12	12.01.2019	4	4
13	02.02.2019	4	4

The Attendance of individual Directors is placed at: **ANNEXURE: VIII (C)**

5.7.5 Terms of reference to Procurement Committee:

- (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.
- (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.

5.8 HUMAN RESOURCES COMMITTEE (HRC):

- 5.8.1 The HRC was constituted by the Board of Directors on 22.07.2011. Headed by an Independent Director, the objective of the HRC is to scrutinize various proposals coming to Board involving HR issues, Personnel policies to be pursued by the Company and such other issues as may be entrusted to it by the Board from time to time.

5.8.2 The Composition of the HRC during the year under report is as under:

S. No.	Name of the Director	Status	Date of Appointment or change in the Committee
1.	Shri. I. V. Sarma Part-time Non-Official Director	Chairman	18.12.2015
2.	Dr. Usha Ramachandra Part-time Non-Official Director	Member	18.12.2015
3.	Shri Surendra Sinh Part-time Non-Official Director	Member	10.08.2018
4.	Dr. S. K. Jha Director (Production & Marketing)	Member	05.07.2016
5.	Shri. Sanjeev Singhal Director (Finance)	Member	06.01.2017

The nomination of Functional Directors on HRC is on Ex-Officio basis.

The Company Secretary acts as Secretary of the Committee.

5.8.3 The quorum of the HRC is at least **Three (3)** members personally present, one of whom shall be a Non-official Director. The Committee is empowered to frame its own rules of functioning.

5.8.4 Four meetings of the HRC were held during the Financial Year 2018-19.

Attendance of Directors in Human Resources Committee Meetings

S. No.	Date of the Meeting	Committee's Strength	No. of Directors Present
1	30.05.2018	4	3
2	26.06.2018	4	3
3	01.10.2018	5	4
4	01.11.2018	5	3

The Attendance of individual Directors is placed at: **ANNEXURE: VIII (C)**

5.8.5 **Terms of reference to Human Resource Committee:**

- (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.
- (ii) 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) Career Development Plans including Training & Development Programs - Engagement of GETs / MTs and the Schemes relating to them.
 - (b) Framing up of Conduct, Discipline and Appeal (CDA) Rules and Standing Order as applicable.
 - (c) Review and make suitable recommendations to Board in respect of Disciplinary proceedings / reports / actions taken and/or to be taken.
 - (d) Introduction of Voluntary Retirement, Compulsory Retirement and other Separation Schemes.
 - (e) Vigilance and Security related issues.
 - (f) Trade Unions, Officers / Supervisors Associations.

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

5.9 TECHNICAL COMMITTEE (TC):

5.9.1 The Technical Committee (TC) started functioning w.e.f. 24.01.2011. 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 MIDHANI's operations, and Modernization, Up-gradation and Expansion programmes under implementation or proposed to be undertaken in near future.

5.9.2 TC consists of members of the Board having technical expertise in metallurgy. The constitution of TC is as follows:

S. No.	Name of the Director	Status	Date of Appointment or change in the Committee
1.	Dr. D. K. Likhi, Chairman & Managing Director	Chairman	01.09.2015
2.	Dr. S. K. Jha Director (Production & Marketing)	Member	05.07.2016
3.	Shri. I. V. Sarma Part-time Non-Official Director	Member	18.12.2015
4.	Dr. Jyoti Mukhopadhyay Part-time Non-Official Director	Member	18.12.2015

The nomination of Functional Directors on TC is on Ex-Officio basis.

Head of R&D functions as Secretary to the Committee

5.9.3 The Committee is empowered to frame its own guidelines for conducting its meetings.

5.9.4 One Technical Committee meeting was held during the year under review.

Attendance of Directors in Technical Committee Meeting

S. No.	Date of the Meeting	Committee's Strength	No. of Directors Present
1	01.11.2018	4	4

The Attendance of individual Directors is placed at: **ANNEXURE: VIII (C)**

5.9.5 Terms of reference to Technical Committee:

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

5.10 Share Certificate Committee(SCC):

S. No.	Details of Members	Status
1.	Chairman & Managing Director	Chairman
2.	Director (Production & Marketing)	Member
3.	Director (Finance)	Member

Company Secretary shall act as Secretary to the Committee

5.10.1 Two Share Certificate Committee meetings were held during the year under review.

Attendance of Directors in Share Certificate Committee Meeting

S.No.	Date of the Meeting	Committee's Strength	No. of Directors Present
1	25.06.2018	3	3
2	04.08.2018	3	3

The Attendance of individual Directors is placed at: **ANNEXURE: VIII (C)**

5.10.2 **Terms of reference to Share Certificate Committee:**

- (i) To consider the request for Transfer, transmission, de-mat, re-mat of Shares and issue of duplicate share certificates and approve the same as duly complying with the provisions of the Companies Act, 2013 and Listing Regulations.

5.11 Corporate Management Committee (CMC):

5.11.1 In order to have effective planning, organizing, coordination and control over the day to day operations of Management, a Committee known as Management Committee (MC) was functioning since the year 1980. During the year 2003 the same was re-constituted as "Corporate Management Committee" (CMC).

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

5.11.3 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.

5.11.4 **Terms of reference to Corporate Management Committee:** The subjects for deliberation / discussions at the meeting, inter-alia include:

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

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

6.1 The Code of Business Conduct and Ethics was revised by Department of Public Enterprises in April, 2010, while framing its guidelines relating to Corporate Governance. This code was adopted by MIDHANI in respect of its Directors and Senior Level Executives. However post conversion of MIDHANI from Private to a Public Limited Company the revised Code of Business Conduct and Ethics for Board Members and Senior Management was approved at the 237th meeting of the Board held on 14.12.2017. The same is available at our Company's website at: www.midhani-india.in.

6.2 The Directors and the Senior Executives have given declarations affirming the compliance with the code of conduct during the year under report.

6.3 A declaration on such Compliance issued by Chairman & Managing Director of the Company is as under:

7.0 DECLARATION BY CHAIRMAN & MANAGING DIRECTOR:

7.1 It is hereby declared that all Board Members and Senior Management Personnel affirmed compliance with "The Code of Business Conduct and Ethics for Board Members and Senior Management of Mishra Dhatu Nigam Limited" for the year ended 31st March 2019.

8.0 PREVENTION OF INSIDER TRADING:

8.1 The Company has in place "The Code of Internal Procedures and Conduct for Prohibition of Insider Trading". The code was initially approved by the Board at its 237th meeting held on the 14th day of December 2017. The same was subsequently amended in line with the amendments to the Securities and Exchange Board of India (Prohibition of Insider trading) (Amendment) Regulations, 2018 issued by SEBI on 31.12.2018 and has been implemented w.e.f 01.04.2019.

8.2 The Code lays down guidelines that advice on procedures to be followed and disclosures to be made while dealing with the shares of the Company. The Code of Conduct for Prevention of Insider Trading is hosted on the website of the Company and can be accessed at: www.midhani-india.in.

9.0 REMUNERATION POLICY / EVALUATION OF BOARD'S PERFORMANCE:

- 9.1 MIDHANI is a Government of India owned Public Sector Enterprise under administrative control of Ministry of Defence. Presently 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. However, the Independent Directors evaluated the performance of the Board as a whole in a separate meeting of Independent Directors held on March 16, 2019.

10.0 TRAINING OF BOARD MEMBERS:

- 10.1 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. MIDHANI has benefited from their vision and knowledge. Presentations are made to the Board members on the Company's performance, Business model, Corporate plan and future 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 Board has also adopted a policy regarding training of Directors.

11.0 LISTING OF SHARES AND STOCK CODE:

- 11.1 The Company's equity shares got listed at the under mentioned Stock Exchanges on 04.04.2018 and listing fees for the FY 2018-19 has been paid to the Stock Exchanges.

Name and address of the Stock Exchange	Stock Code
BSE Limited Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai - 400 001	541195
National Stock Exchange of India Limited Exchange Plaza, 5 th Floor, Bandra - Kurla Complex, Bandra (East), Mumbai - 400 051	MIDHANI

12.0 DISCLOSURES:

- (i) During the year, there were no transactions of material and significant nature with the Shareholders, Directors or Senior Management personnel or their relatives that had potential conflict with the interest of the Company at large and attracting the provisions of Section 188 of the Companies Act, 2013, except salaries, fees, perquisites allowed and PRP as per extant rules of the Company.
- (ii) A report on the status of compliance with all the applicable Corporate laws, rules and regulations by the Company is placed before the Board for information and review. The Company has, to the extent applicable, complied with all the mandatory requirements of the Code of Corporate Governance as specified in Regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of the Listing Regulations.
- (iii) During the year, no penalties and strictures were imposed on the Company by any Statutory Authority on any matter related to any guidelines issued by Government. No significant and material orders were passed by the regulators or any courts or tribunals impacting the "going concern" status of the Company and affecting its operations.
- (iv) A formal Whistle Blower policy and Risk Management Policy is framed. During the year under report, no personnel were denied access to the Members of the Audit Committee or its Chairperson.
- (v) 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.
- (vi) 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.
- (vii) The Administrative and Office Expenses as a percentage of total expenses stood at 3.96% as compared to 4.20% in the previous year and such percentage in respect of financial expenses was 1.14% when compared to 1.70 % in the previous year. No extravagancy was found in the Expenditure on the part of the Board Members and Senior Management Personnel.
- (viii) 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.

13.0 GENERAL SHAREHOLDER INFORMATION:

- 13.1 **Reconciliation of Share Capital Audit:** The Company obtains a Reconciliation of Share Capital Audit Report from a Practicing Company Secretary every quarter to reconcile the total admitted capital with the National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL) and the total issued and listed capital. This Audit Report is submitted to both BSE and NSE. Further the Company also submits to BSE and NSE a Certificate of Compliance from a Practicing Company Secretary at half-yearly intervals certifying that transfer requests complete in all respects have been processed and share certificates with transfer endorsements have been issued by the Company within 15 days from the date of lodgment thereof.
- 13.2 **Registrar & Share Transfer Agent:** Alankit Assignments Limited, based in Delhi, a SEBI registered Category I, Registrar and Share Transfer Agent is the Company's Registrar and Share Transfer Agent. All share transfer/transmission/split/consolidation/issue of duplicate certificates/change of address requests as well as all dematerialisation/rematerialisation requests and related matters as well as all dividend related queries and complaints are to be forwarded to the RTA at the following address:

Alankit Assignments Limited

205-208, Anarkali Complex

Jhandewalan Extension, New Delhi-110055

Telephone: +91 11 42541234;

Facsimile : +91 11 41543474

Email: midhani_ipo@alankit.com;

Website: www.alankit.com

Investor Grievance ID: midhani_igr@alankit.com

Contact Person: Jagdeep Kumar Singla

- 13.3 **Distribution of shareholding as on 31st March 2019:** The distribution of shareholding as 31st March 2019 is as under:

No of Equity Shares held		No. of holders		No. of Shares	
From	To	No's	%	No's	%
1	100	12056	36.518	604104	0.322
101	500	18016	54.571	3714747	1.983
501	1000	1494	4.525	1127347	0.602
1001	5000	1303	3.947	2461260	1.314
5001	10000	73	0.221	521710	0.278
10001	20000	25	0.076	375862	0.201
20001	30000	10	0.03	273601	0.146
30001	40000	5	0.015	162043	0.086
40001	50000	4	0.012	178741	0.095
50001	100000	6	0.018	439770	0.235
100001	500000	12	0.036	3063090	1.635
500001	ABOVE	10	0.03	174417725	93.102
TOTAL		33014	100.00	187340000	100.00

- 13.4 **Dematerialisation of Shares:** 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 31st March 2019, the number of equity shares in electronic form and physical form is as follows:

S. No.	Particulars	No. of Shares	Percentage
1.	NSDL	18,11,64,372	96.70
2.	CDSL	61,75,468	3.30
3.	Physical	160	0.00
	Total	18,73,40,000	100.00

- 13.5 **Outstanding GDRs/ADRs/Warrants:** There are no outstanding GDRs/ADRs/ Warrants or any convertible instruments
- 13.6 **Details of shares held in Unclaimed Suspense Account:** There are no outstanding shares lying in the unclaimed suspense account as on 31st March 2019.
- 13.7 **Transfer of Unclaimed/Unpaid Dividend and shares to Investor Education and Protection fund Authority:** The company shall be transferring the unclaimed/unpaid dividends and shares in respect of the Dividend remaining unclaimed/unpaid for a period of seven consecutive years or more, to the Investor Education and Protection Fund Authority, established by the Central Government, in terms of the provisions of Section 124 & 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. Members who have not encashed their Dividend Warrants for the above financial years/period may approach the Company's Registrar & share Transfer Agent for obtaining duplicate Warrants/Revalidation of Dividend Warrants.

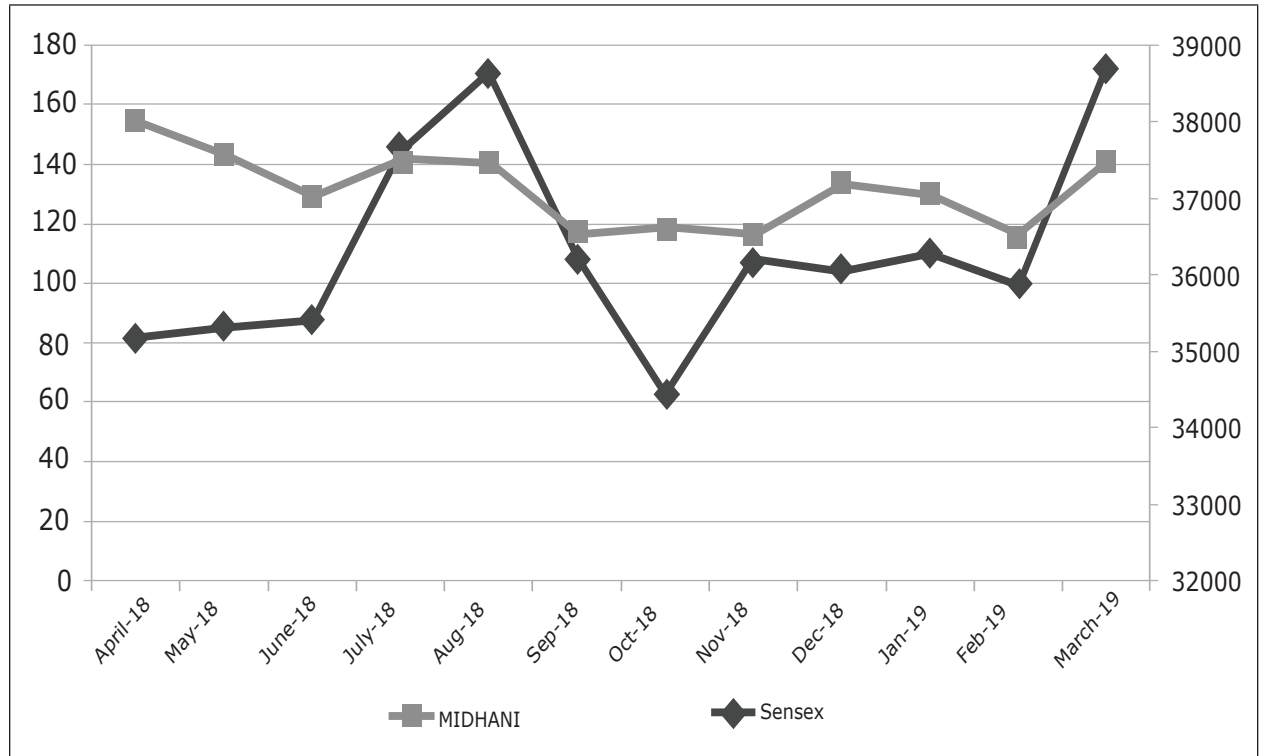
13.8 Market Price of Shares:

The Company listed on BSE and NSE on 4th April 2018. The details of high/low market prices of the shares of the Company at BSE and NSE are as under:

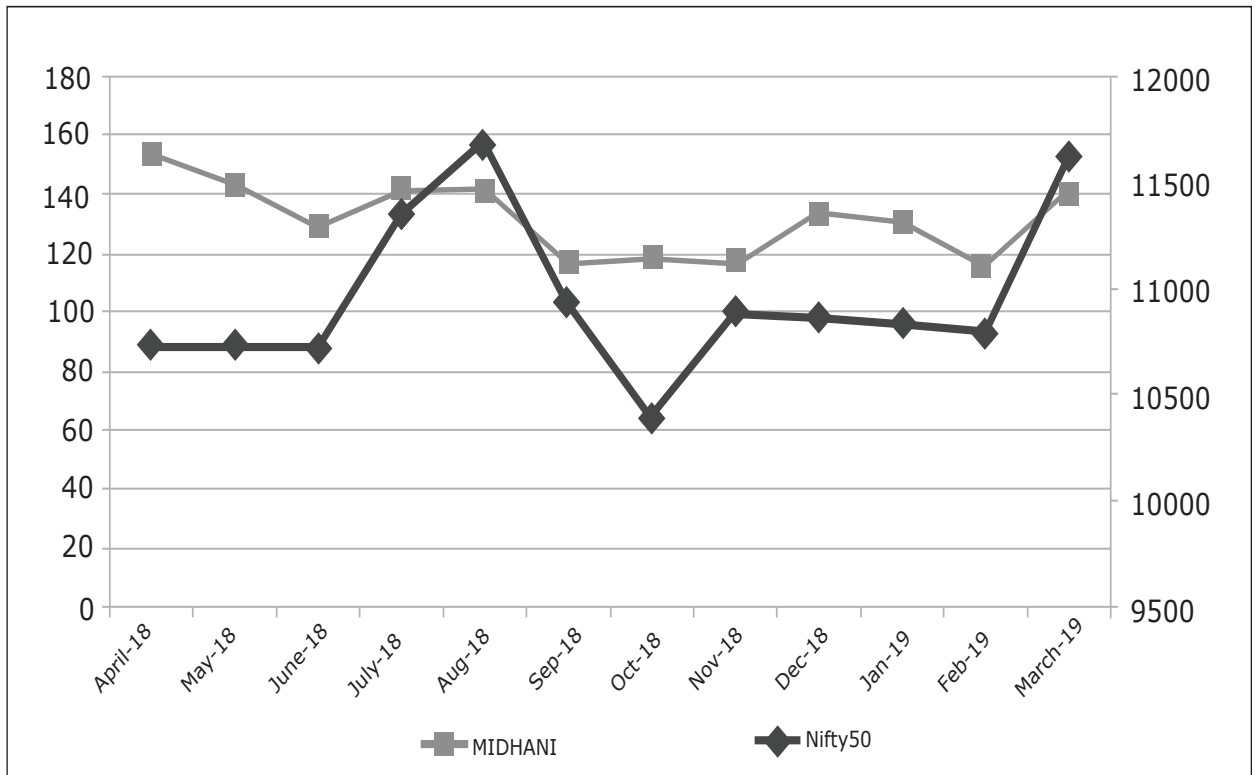
Month	BSE Share Price			BSE Volume	NSE Share Price			NSE Volume
	High	Low	Close		High	Low	Close	
	₹	₹	₹		₹	₹	₹	
April, 18	177	86.35	153.65	17381921	177.55	86.05	153.75	96821187
May, 18	158.85	125.85	143.25	2122451	158.80	125.6	143.20	9013731
June, 18	155	124	129.6	1726714	154.95	125	129.50	10929762
July, 18	160.4	118	141.35	2848767	160.90	118	141.60	15735585
August, 18	157.9	127.75	141.1	2391960	157.85	113	141.50	11661793
September, 18	160	115	116.4	2727918	159.90	115	116.55	10898487
October, 18	124.25	100.9	118.5	793629	124.40	100.2	118.55	4437156
November, 18	130	114	116.95	448118	129.80	114	116.90	3000822
December, 18	137.75	101.2	133.9	560899	138.30	109.45	133.60	4278168
January, 19	142.25	120.1	130.05	433745	142.45	120	130.35	3037103
February, 19	131.4	100	115.4	360875	135.00	107.6	115.70	2029140
March, 19	149.4	115	141.05	1108644	149.60	115.5	141.10	6083595

A graphic representation of comparison of closing quotation of the Company's share price on BSE and NSE with the closing position of BSE SENSEX and NIFTY is as under:

BSE:



NSE:



14.0 CERTIFICATIONS:

- 14.1 None of the Directors on the Board of the company have been debarred or disqualified from being appointed or continuing as director of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority. A certificate in this regard obtained from Company Secretary in Practice is placed at **ANNEXURE - IX**
- 14.2 A factual report on the compliance of Corporate Governance Guidelines is being regularly furnished to the Administrative Ministry on quarterly basis. A compliance report by a practicing Company Secretary regarding compliance of SEBI LODR Regulations, 2015 and the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by Dept of Public Enterprises is placed at **ANNEXURE: X**
- 14.3 The CEO/CFO certification of the financial statements for the year is placed at **ANNEXURE: XI** to this report and Form AOC-2 has been attached as **ANNEXURE-XII** as required under section 134(3)(h) of the Companies Act, 2013.

15.0 NON-MANDATORY REQUIREMENTS:

- 15.1 The Company has complied with the following non-mandatory requirements of the Listing Regulations relating to Corporate Governance. The status of compliance with the non-mandatory requirements listed in Regulation 27 (1) read with Part E of Schedule II of the Listing Regulations is as under:
 - During the year under review, the Auditors have expressed no qualification in their reports.

16.0 COMMUNICATION:

- 16.1 The quarterly/half yearly financial results are posted on the websites of the BSE, NSE and the Company after consideration and approval by the Board and are also published in one English national daily having all India circulation, one Hindi Daily and at least in one local Telugu daily within 48 hours of its adoption. The Annual Report of the Company, on placement before both the houses of Parliament is posted in the website viz. www.midhani-india.in. The website of the Company also displays all official news releases.

17.0 MANAGEMENT DISCUSSION AND ANALYSIS REPORT

- 17.1 A separate report is enclosed.